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IN THE

Supreme Court of the United States

OCTOBER TERM, 1959

No. 361

STOLLER SEALS CORPORATION, *Petitioner*

v.

F. J. BROOKS COMPANY, *Respondent*

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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STOFFEL SEALS CORPORATION, *Petitioner*

v.

E. J. BROOKS COMPANY, *Respondent*

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Petitioner, the defendant-appellee below, respectfully prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Second Circuit entered in the above-entitled action on May 4, 1959.

OPINIONS BELOW

The opinion of the Court of Appeals for the Second Circuit is reported at 266 F.2d 841 and appears as Appendix A to this Petition. The opinion, findings of fact and conclusions of law of the District Court for the Southern District of New York are reported at 160 F. Supp. 581 and appear as Appendix B to this Petition.

JURISDICTION

The judgment of the Court of Appeals was entered on May 4, 1959. Petitioner's timely petition for a rehearing was denied (2-1) by said Court on June 1, 1959. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254 (1).

QUESTIONS PRESENTED

(1) Was it not error for the Court below, in conflict with the rulings of various other Circuits, to apply the stringent rules as to invention which had come to prevail shortly before the enactment of the Patent Act of 1952, rather than applying the rule of the *Hotchkiss* case, as intended by Congress in that Act?

(2) Was it not error, as had been held by Courts of Appeals for several of the other Circuits, to reverse a District Court's finding of validity of the patent in issue without holding that finding to be clearly erroneous in accordance with Rule 52(a) of the Federal Rules of Civil Procedure?

STATUTE INVOLVED

Those provisions of the United States Patent Act of 1952, 66 Stat. 792-814, 35 U.S.C. §§ 1-293, which are involved here are printed as Appendix C to this Petition. Also involved is Rule 52(a) of the Federal Rules of Civil Procedure, which is printed in Appendix C.

STATEMENT OF THE CASE

This suit was brought by respondent for a declaratory judgment that petitioner's Ashton patent was invalid.[1] Petitioner counterclaimed for patent

[1] Pleadings and findings in regard to two other patents are not involved in this petition.

infringement. Judge Dawson held the Ashton patent valid and infringed. Chief Judge Clark and Judge Hincks of the Court of Appeals, with Judge Lumbard dissenting, reversed, held the Ashton patent invalid, dismissed petitioner's counterclaim, and ordered the entry of a declaratory judgment that the patent was invalid.

The Ashton patent, duly issued by the Patent Office on September 23, 1952, covers a device which is deceptively simple in appearance. Since the device is adequately described in the opinions of Judge Dawson and Judge Lumbard (160 F. Supp. at 584-585; 266 F.2d at 844-845), it will be dealt with only briefly here. In essence, it is a type of metal tag which can be attached to poultry for identification purposes. The importance of tags to the poultry industry is demonstrated by the fact that for the first nine months of 1957 (the latest period for which figures were available), petitioner alone manufactured and sold over 197 million of them (Defendant-Appellee's Appendix 101a[2]), and a representative of respondent admitted that his company manufactured "many millions" of them in 1956 (PA 36a-37a).

For years prior to the Ashton tag, the industry had struggled with tags which pierced the skin, thus reducing the value of the poultry, and which were dangerous to apply. Housewives complained "right along" that the tags were difficult to remove. Since the tags stood up vertically and were difficult to read if used on the breast of poultry, they were used only on

[2] Defendant-Appellee's Appendix, hereafter referred to as DA, and Plaintiff-Appellant's Appendix, hereafter referred to as PA, were filed with the Court of Appeals and are being filed with this Court.

the wing. The tags also were relatively expensive to manufacture. Both respondent and petitioner had sought for years with the most skilled help available to invent a better tag and had taken out numerous patents on various types of tags. Respondent, in fact, had obtained several hundred patents, many on poultry and similar tags long since discarded. The United States and Canadian Departments of Agriculture also had been searching for an improved tag (160 F. Supp. at 585-587; 266 F.2d at 845; DA 9a-12a, 17a, 19a, 42a-52a, 58a, 59a, 67a-70a; PA 9a-11a, 31a-35a, 95a, 118a, 119a).

The Ashton tag involved several known principles combined in an entirely new fashion to achieve an entirely new result. For example, while the "toggle" concept had been used before in machinery to exert outward pressure, it had never been used as a clamping device—that is, to exert pressure down and under a clamp so as to catch and hold something. It most certainly had never been applied to this field. The result of the application of this new principle to poultry tags was that the skin of the poultry could easily be clamped without damaging or piercing the skin, the tags would lie flat against the breast of the poultry and be easily read, and yet the housewife could remove them with little effort by simply lifting the "bendable knee" of the toggle. The Ashton tag, instead of being more expensive to produce, actually reduced substantially the cost of manufacture (160 F. Supp. at 584-587; DA 23a, 25a, 37a, 38a, 47a, 55a-57a, 62a, 67a 71a, 91a, 92a, 107a, 109a; PA 9a-12a, 34a 35a, 98a-101a, 151a).

The Ashton tag achieved immediate and phenomenal commercial success. As recognized by Judge Dawson,

the undisputed testimony showed that "toggle seals constitute approximately 95% of all the seals which are being used today" (160 F. Supp. at 586; DA 52a, 101a, 103a; PA 36a-37a, 38a-39a). Petitioner's sales of toggle seals rose from 136,000 in 1949 to 203,570,000 in 1956, while its sales of non-toggle seals steadily declined beginning in 1953 (DA 101a). Soon after the introduction of petitioner's tag, respondent copied and adopted a tag indistinguishable from petitioner's (160 F. Supp. at 589-590; DA 14a-16a, 91a, 92a; PA 33a; Def's Exs. I, J).

Judge Dawson concluded that "never before the Ashton invention had the toggle principle been used in poultry tags or similar tags," that the toggle principle was used in a new and different way, that employees of both petitioner and respondent had tried and failed "for many years" to produce a better tag, that the Ashton tag met "a need in the industry" and "had certain advantages for which the industry had been looking," and that it met with "widespread commercial acceptance." In short, the Court concluded that "the Ashton patent displayed invention" (160 F. Supp. at 585-586).

The Court of Appeals, stressing what it called the "exceedingly simple" character of petitioner's device (266 F.2d at 841, 843), held that the device did not reach "that level of invention required by statute and the Constitution for the grant of a patent monopoly." In discussing that "level of invention," Judge Clark relied on principles and decisions promulgated in the years preceding the Patent Act of 1952, and he failed to give the weight to the purpose of that statute which Congress intended (*id.* at 843-844). The majority opinion does not mention the presumption of validity

of a patent or the burden of proof set forth in § 282 of the Patent Act.

Judge Lumbard, dissenting, thought not only that the Ashton tag met the standard of invention laid down in *Lyon v. Bausch & Lomb Optical Co.*, 224 F.2d 530 (2d Cir.), *cert. denied*, 350 U.S. 911 (1955), on the basis of the Patent Act of 1952, but that the record "dispels any possible doubts that it constitutes invention" (266 F.2d at 845). He stated emphatically that since the passage of the Patent Act of 1952, and especially in view of the presumption of validity set forth therein, "courts must no longer approach the consideration of what is invention with specially restrictive judicial views of inventiveness" (266 F.2d at 846), and he decried (*ibid.*) the departure from correct principle reflected in the citation in the majority decision of *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U.S. 84 (1941).

REASONS FOR GRANTING THE WRIT

1. THE DECISION OF THE COURT OF APPEALS IS IN CONFLICT WITH THE DECISIONS OF OTHER COURTS OF APPEALS AS TO WHAT IS THE PROPER STANDARD OF INVENTION AND AS TO THE PROPER INTERPRETATION OF A STATUTE ENACTED OVER SIX YEARS AGO WHICH HAS NEVER BEEN BUT SHOULD BE CONSIDERED BY THIS COURT

This conflict between the majority opinion below and the decisions of the Courts of Appeals for other Circuits was recognized in Judge Lumbard's dissenting opinion (266 F.2d at 846, 847). Its nature and extent is readily demonstrated by a review of some of the leading patent law decisions of this Court and of the Courts of Appeals for the various Circuits prior to and since the enactment of the Patent Act of 1952. There have been no decisions by this Court with respect to the standard of invention since the Act of 1952.

The Applicable Standard of Invention Prior to 1952

The earliest test of patentable invention was announced by this Court in *Hotchkiss* v. *Greenwood*, 52 U.S. 248, 266, 267 (1850): the essential elements of the test were that the application of new methods to old components must be the result of ingenuity and skill more than that "possessed by an ordinary mechanic acquainted with the business." During the next century, however, this Court progressively required an inventive skill far beyond that contemplated by the *Hotchkiss* analogy to the ordinary mechanic.[3]

The case now recognized as the furthest departure from the teaching of the *Hotchkiss* case is *Cuno Engineering Corp.* v. *Automatic Devices Corp.*, *supra*, a 1941 decision which involved a cordless electric automobile lighter for cigars, cigarettes and pipes. This case, like the cases before it, cited and purported to rely on the *Hotchkiss* rule, but it in fact applied a far stricter test of inventiveness. The opinion conceded that the functions performed by the lighter were new and useful (314 U.S. at 90, 91), that the lighter was a more efficient and convenient one than any which had come before (*id.* at 91), that the development of the lighter required skill and ingenuity (*id.* at 91, 92), and, by inference, that the new result achieved by the lighter had not before been con-

[3] The opinions used various descriptive phrases to designate this skill, such as "inventive genius," *Reckendorfer* v. *Faber*, 92 U.S. 347, 357 (1876); "flash of thought," *Dewsnap* v. *Seifield*, 102 U.S. 375, 378 (1880); "intuitive genius," *Potts* v. *Creager*, 155 U.S. 597, 607 (1895); "flash of creative genius," *Cuno Engineering Corp.* v. *Automatic Devices Corp.*, 314 U.S. 84, 91 (1941); and "unusual and surprising consequences," *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U.S. 147, 152 (1950).

templated (*id.* at 91). Nevertheless, the *Cuno* decision held the lighter unpatentable because it did not stand up to the "strict application" of the test enunciated therein. That test required not only "more ingenuity . . . than the work of a mechanic skilled in the art"-but the necessity that the invention "reveal the flash of creative genius" as opposed to "merely the skill of the calling" (*id.* at 90-91).

Nine years later, in *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147 (1950), a patent was held invalid because, *inter alia*, it included only old elements which in aggregate failed to produce a new or different function or operation, the result was not "unusual or surprising," and the whole did not in some way exceed the sum of its parts (340 U.S. at 151-152). That the device filled a long-felt need and enjoyed commercial success was held not enough in the absence of invention (*id.* at 153). Most importantly for present purposes, however, the opinion admonished the lower federal courts that they must "scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements," and characterized its own test of invention as a "rather severe" one (*id.* at 152).[4]

The various Courts of Appeals, after the *Cuno* and *A. & P.* cases, followed the lead of this Court, applied stringent tests of patentability, and repeatedly in-

[4] ". . . [W]e are constrained to agree with appellants and the District Court that the Supreme Court in the A & P Tea Co. case, *supra*, has enunciated a more strict test of invention than existed theretofore. . . ." *Jeffrey Mfg., Inc. v. Graham*, 206 F. 2d 772, 776 (6th Cir. 1953), *cert. denied*, 347 U.S. 920 (1954). Justices Black and Douglas voting to grant certiorari.

validated patent grants.[4] This was the state of the law, then, when the Patent Act of 1952[5] became law on January 1, 1953. The Act was enacted at least in part because of Congressional concern over the large number of patents which were being held invalid.[6]

[4] Examples from each Circuit are as follows: *Abbott Mach. Co. v. Universal Winding Co.*, 137 F. 2d 166 (1st Cir. 1943); *Schreyer v. Casco Prod. Corp.*, 190 F. 2d 921 (2d Cir. 1951), *cert. denied*, 342 U.S. 913 (1952); *General Time Instruments Corp. v. New Haven Clock Co.*, 136 F. 2d 49 (2d Cir. 1943); *Packwood v. Briggs & Stratton Corp.*, 195 F. 2d 971 (3d Cir.), *cert. denied*, 344 U.S. 844 (1952) (applying flash of genius test); *Pennsylvania Crusher Co. v. Bethlehem Steel Co.*, 193 F. 2d 445 (3d Cir. 1951) (applying flash of genius test); *Pearson Sanding Mach. Co. v. Williams Furniture Co.*, 132 F. 2d 55 (4th Cir. 1942) (applying flash of genius test); *Ritchie v. Lewis-Browning Mfg. Co.*, 196 F. 2d 434 (5th Cir. 1952); *O'Leary v. Liggett Drug Co.*, 150 F. 2d 656 (6th Cir.), *cert. denied*, 326 U.S. 773-774 (1945) (applying flash of genius test); *Aetna Ball & Roller Bearing Co. v. Standard Unit Parts Corp.*, 198 F. 2d 222 (7th Cir. 1952); *Kaschak Co. v. Barrett*, 158 F. 2d 463 (8th Cir. 1946) (applying flash of genius test); *Frank Adam Elec. Co. v. Colt's Patent Fire Arms Mfg. Co.*, 148 F. 2d 497 (8th Cir. 1945); *Himes v. Chadwick*, 199 F. 2d 100 (9th Cir. 1952); *Palmer v. King*, 185 F. 2d 330 (9th Cir. 1950) (applying flash of genius test); *Shaffer v. Armer*, 184 F. 2d 303 (10th Cir. 1950); *Standard Oil Development Co. v. Marzall*, 181 F. 2d 280 (D.C. Cir. 1950) (applying flash of genius test); *Besser v. Ooms*, 154 F. 2d 17 (D.C. Cir. 1946) (applying flash of genius test); *Magnaflux Corp. v. Co.*, 139 F. 2d 531 (D.C. Cir. 1943) (applying flash of genius test). See also the letter to the Patent Bar of Chicago from the late Hon. Evan A. Evans, United States Court of Appeals for the Seventh Circuit, dealing with the Disposition of Patent Cases in the Courts and reprinted at p. 96 of the Hearings on H.R. 5248 of the 80th Congress.

[5] 66 Stat. 792, 35 U.S.C. § 1 *et seq.* (1952 ed.).

[6] S. Rep. No. 1979, 82d Cong., 2d Sess. 4, 6 (1952); H.R. Rep. No. 1923, 82d Cong., 2d Sess. 5, 7 (1952); Hearings before Subcommittee No. 3 of the House Committee on the Judiciary, 82d Cong., 1st Sess., 13-15, 38 (1951); 98 Cong. Rec. 9323 (1952); Reports of National Patent Planning Commission: The American Patent System, H.R. Misc. Doc. No. 239, 78th Cong., 1st Sess.

The Act incorporated some prior statutory provisions, revised others and to a certain extent codified some of the existing case law. The statute clearly indicated that a less stringent approach towards patents was to replace the views of inventiveness followed by this Court and some of the Courts of Appeals immediately preceding the Act. The Congressional purpose seems clear to return to the standard of *Hotchkiss*. The Act affirmatively stated that, with certain enumerated exceptions, a person "shall be entitled to a patent" (§ 102), and that "A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it" (§ 282). The only ground set forth for denial of a patent when the subject matter otherwise complies with § 102 is when "the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains" (§ 103). With respect to this latter section of the Act, the then Examiner-in-Chief of the Patent Office said:

> "* * * Weight should be given to the terms used in [§ 103] since a variety of expressions used in decisions were available, including some stated with an extreme degree of strictness, which could have been used as the model for the phraseology to be adopted, but the language selected was of the more moderate variety. The Committee

(1943); Government Owned Patents on Invention of Government Employees and Contractors, H.R. Misc. Doc. No. 22, 79th Cong., 1st Sess. (1945); Third Report on the American Patent System, H.R. Misc. Doc. No. 283, 79th Cong., 1st Sess. (1945). See Harris, "Some Aspects of the Underlying Legislative Intent of the Patent Act of 1952," 23 Geo. Wash. L. Rev. 658 (1955).

Report, in the general part, states that the section 'should have a stabilizing effect and minimize great departures which have appeared in some cases'; the departures of which complaint has been made in the recent past are all departures in the direction of greater strictness and hence these would be what the report indicates should be minimized.'"[8]

The Standard of Invention Enunciated in Lyon v. Bausch & Lomb Optical Co. Carried Out the Congressional Intent and Was Subsequently Adopted by Some But Rejected by Others of the Courts of Appeals

For three years after the passage of the new Patent Act, the Courts of Appeals and the Court of Customs and Patent Appeals, because of a misunderstanding developing out of the Reviser's Notes and several impromptu remarks made during Congressional debates, generally interpreted the Act to be merely a codification of the decisional law as it stood at the time the Act was passed, though the decisions were not free from doubts and confusion.[9]

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[8] Federico, "Commentary on the New Patent Act," 35 U.S.C.A. pp. 1, 23.

[9] *E.g.*, *Wasserman* v. *Burgess & Blacher Co.*, 217 F. 2d 402, 404 (1st Cir. 1954); *United Mattress Mach. Co.* v. *Handy Button Mach. Co.*, 207 F. 2d 1, 5 (3d Cir. 1953); *Stanley Works* v. *Rockwell Mfg. Co.*, 203 F. 2d 846, 849 (3d Cir.), *cert. denied*, 346 U.S. 818 (1953); *Interstate Rubber Products Corp.* v. *Radiator Specialty Co.*, 214 F. 2d 546, 549 (4th Cir. 1954); *Vincent* v. *Sunkist Products Co.*, 215 F. 2d 305, 315-316 (5th Cir. 1954), *cert. denied*, 348 U.S. 952 (1955); *General Motors Corp.* v. *Estate Stove Co.*, 203 F. 2d 912, 914-915 (6th Cir.), *cert. denied*, 346 U.S. 822 (1953); *Application of O'Keefe*, 202 F. 2d 767, 771 (C.C.P.A. 1953); *Application of Harding*, 205 F. 2d 171 (C.C.P.A. 1953). By implication: *New Wrinkle, Inc.* v. *Watson*, 206 F. 2d 421, 422 n. 6 (D.C. Cir. 1953); *Tourneau* v. *Tishman & Lipp*, 211 F. 2d 240 (2d Cir. 1954). There was a good deal of confusion during this period over *Cuno*'s "flash of creative genius" test. The Ninth Circuit, after specifically ruling that the *Cuno* test was "wholly ineffective" under the new

In June 1955, however, Judges Learned Hand, Swan and Hincks decided *Lyon* v. *Bausch & Lomb Optical Co.*, 224 F.2d 530 (2d Cir.), *cert. denied*, 350 U.S. 911 (1955). Judge Hand pointed out that prior to the Patent Act of 1952, this Court, while never overruling *Hotchkiss*, nevertheless applied stricter tests of invention than laid down in that case. The new Act, said Judge Hand, was intended to return the law to the standard announced in *Hotchkiss*, so that the stricter tests later developed and applied by this Court would no longer be in force. With the less restrictive *Hotchkiss* test in mind, the Court of Appeals held one of the patents in the case valid.[10]

Act (*Pacific Contact Labs., Inc.* v. *Solex Labs., Inc.*, 209 F. 2d 529, 532-533 (9th Cir. 1953), *cert. denied*, 348 U.S. 816 (1954)), relied on the test without any mention of the Act in another case (*Fowler* v. *Vinear Sales Co.*, 216 F. 2d 263, 265-266 (9th Cir. 1954)), and then apparently returned to its former view that the *Cuno* test was no longer in effect (*Winslow Engineering Co.* v. *Smith*, 223 F. 2d 438, 440-442, *former opinion adhered to*, 228 F. 2d 332 (9th Cir. 1955)). The Third Circuit, after citing and relying on *Cuno* as before (*Stanley Works* v. *Rockwell Mfg. Co.*, 203 F. 2d 846, 848 (3d Cir.), *cert. denied*, 346 U.S. 818 (1953)) specifically refused to pass on the question of whether the *Cuno* test was still valid under the Act (*United Mattress Mach. Co.* v. *Handy Button Mach. Co.*, 207 F. 2d 1, 5 (3d Cir. 1953)).

[10] Soon after the *Lyon* case was decided, Judge Hand discussed it informally with a Senate Subcommittee. He expanded on his view that beginning with *Carbice Corp. of America* v. *American Patents Devel. Co.*, 283 U.S. 420 (1931), this Court required "a very much stiffer rule about what was invention" than had been laid down in *Hotchkiss*, and that Circuit Courts were in effect admonished to "be more severe about what was invention." He added, "Now when the Congress passed the [new patent] act whether we were right in construing it as meaning that the old rules were to apply, remains to be seen. I hope the case will go up." Hearings before the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, United States Senate, 84th Cong., 1st Sess., pursuant to S. Res. 92 on the American Patent System, Oct. 11, 1955, pp. 119-120.

In the four years since this Court declined to review the *Lyon* case, the law of invention has become increasingly confused and conflicting. The Courts of Appeals for the various Circuits are now applying different and inconsistent standards of invention—some, like the majority below, following the stringent standards of the *Cuno* case as if the Act had never been passed, and others following the now statutorily sanctioned and less strict rule of the *Hotchkiss* case and the statutory mandate of presumptive validity as in the *Lyon* case. Hopeless conflict exists between the Circuits and indeed sometimes between different panels of the same Circuit, as in the Second Circuit. The issue of which is the correct view is clearly presented here, free of the mechanical complications and minute factual distinctions which obscure the legal issues in many patent cases and the conflicts call for resolution now by this Court before patent litigation becomes still more burdensome and uncertain.

The Majority Opinion Conflicts With the Decisions of Courts of Appeals for Other Circuits

As will appear presently, the opinion of Judge Clark in this case is one of a series in which he has refused to recognize a less stringent rule of invention since the Patent Act of 1952 and has continued to apply the admonitions of *Cuno* and other pre-Act cases. His opinion is directly in conflict with rulings of the Third, Fourth and District of Columbia Circuits.

The Third Circuit has liberally construed the Patent Act and specifically adopted the reasoning and holding of the *Lyon* case. In *R. M. Palmer Co.* v. *Ladew's, Inc.*, 236 F.2d 496, 498, 500, 501 (1956); six of the

seven sitting judges affirmed the validity of certain design patents for simple objects. In so doing the Court relied heavily upon the statutory presumption of validity and went on to discuss and approve the argument made to the effect that the Patent Act constituted "a congressional change of direction to assertedly more lenient criteria" than the "rigid standard for determining validity" which had resulted from the "flash of genius" expression in the *Cuno* case. Holding that the Act left no doubt that the "flash of genius" test had been laid to rest, the Court said that it was inclined to accept the "sensitive observations of Judge Learned Hand" in the *Lyon* case. The *Palmer* case was followed by the Third Circuit in *Plax Corp. v. Precision Extruders, Inc.*, 239 F.2d 792, 794-795 (1957), and *Fisch v. Gould*, 246 F.2d 5, 7-8 (1957), *cert. denied*, 355 U.S. 914 (1958).

The Fourth Circuit Court of Appeals similarly has relaxed the rigid requirements for invention, in conflict with the decision in the instant case. In *Brown v. Brock*, 240 F.2d 723, 726-728 (1957), the Court upheld a patent on a weeping doll, relying heavily upon the showing of a long-felt and unsatisfied want, numerous attempts at achieving the result, the persistent search of the industry for it, and the commercial success thereof, all establishing that the subject matter was not obvious "to a person having ordinary skill in the art" as that phrase is used in the Patent Act. The Court concluded that "The patent involved here certainly meets the standard of invention by the accepted tests, as recently explained in [the *Lyon* case]." And in *Otto v. Koppers Co.*, 246 F.2d 789, 799-801 (1957), *cert. denied*, 355 U.S. 939 (1958), the same Court, holding

that the factors of commercial success and long unsuccessful attempts overcame the defense of obviousness and, relying on the *Lyon* case and the statutory presumption of validity, reversed a judgment of invalidity.[11]

The majority opinion also is in conflict with an opinion of the Court of Appeals for the District of Columbia. In *L-O-F Glass Fibers Co.* v. *Watson*, 228 F.2d 40, 47 (1955), that Court reversed a denial of a patent application and specifically adopted and followed the teaching of the *Lyon* case, saying:

> "* * * We may safely assume that the Patent Act of 1952, 35 U.S.C.A. § 103 was intended to restore 'the law to what it was when the Court announced the definition of invention.' See discussion by Judge Learned Hand in *Lyon* v. *Bausch & Lomb Optical Co.* * * *."

Other Circuits, however, have refused to accept the *Lyon* thesis. For example, when *Lyon* was called to the attention of the First Circuit, the Court refused to follow it, held that the Act did not "change the settled law as it stood before the statute was enacted," and cited as examples of that decisional law two decisions which applied rigid standards of invention calling for "inventive genius." *Hawley Products Co.* v. *United States Trunk Co.*, 259 F.2d 69 (1958). More recently, the First Circuit again was invited to hold that the Patent Act lowered the standard of invention. It declined on the ground that the case was not "an

[11] See also, from the same Circuit, *Rohm & Haas Co.* v. *Roberts Chemicals, Inc.*, 245 F. 2d 693, 697, 699 (1957); *S. H. Kress & Co.* v. *Acknidex*, 246 F. 2d 718, 721, 723, *cert. denied*, 355 U.S. 889 (1957); *Merck & Co.* v. *Olin Mathieson Chemical Corp.*, 253 F. 2d 157, 164 (1958).

appropriate vehicle for the undertaking." Significantly, however, the Court added that the patent was invalid "even by applying the now statutory standard as liberally and as generously to the patentee as the wording of the statute permits," thus recognizing that its prior interpretation of the Act was at least open to question. *Glagovsky* v. *Bowcraft Trimming Co.*, 121 U.S.P.Q. 539, 540 (June 5, 1959).

The Ninth Circuit has refused to recognize any change whatever in the standard of invention brought about by the Patent Act. It has ruled that this Court established "strict standards" in *Cuno* and *A. & P.* which must be met, and it has even gone so far as to require a "flash of genius." *Oriental Foods, Inc.* v. *Chun King Sales, Inc.*, 244 F.2d 909, 911, 912, 914 (1957). In reversing a trial court's finding of validity in another case, the Court admitted that "Were it not for a number of Supreme Court cases which of recent years have tightened up the standards of patentability, we might hold otherwise"—citing four cases, including *Cuno*, all of which were decided prior to the 1952 Patent Act. *Muench-Kreuzer Candle Co.* v. *Wilson*, 246 F.2d 624, 627, *cert. denied*, 355 U.S. 882 (1957).[12]

Thus, since Judge Hand's decision in *Lyon*, some Circuits, like the Third, Fourth and District of Columbia, have held that the Patent Act re-established the test of *Hotchkiss* and was intended to dissipate the restrictive attitude represented in cases decided

[12] See also *William T. Alvarado Sales Co.* v. *Rubaloff*, 263 F.2d 926, 930-931, *cert. denied*, 27 U.S.L. Week 3357 (June 15, 1959); *Talon, Inc.* v. *Union Slide Fastener, Inc.*, 266 F. 2d 731 (1959); *Ehrick Rim Co.* v. *Reading Tire Mach. Co.*, 264 F.2d 481, 487, *cert. denied*, 27 U.S.L. Week 3362 (June 22, 1959).

shortly before the Act was passed. If a combination of old elements is new and useful, if it fills a long-felt need, if it has met with commercial success, it is deemed by these courts to have been unobvious to the mechanic acquainted with the business and therefore patentable. Other Circuits, such as the First and Ninth, have just as consistently refused to recognize any relaxation of the prior rigid standards and have required a measure of inventiveness over and above that involved in the skill of the calling. They still approach a patent with suspicion, amounting almost to a presumption of invalidity. The decisions of still other Circuits have varied, generally depending upon which panel of judges is sitting or which judge authors the opinion.[13] The conflicts between and within Circuits clearly call for resolution by this Court.

The Test of Invention Since Lyon Has Become Confused Even Within the Second Circuit

The nature of the conflict over the Patent Act since the *Lyon* decision is illustrated by the situation within the Second Circuit itself. Although several recent

[13] Compare, for example, in the Fifth Circuit, *Sol-O-Rak Corp. v. Henry Hanger & Display Fixture Corp.*, 232 F. 2d 176, *cert. denied*, 352 U.S. 870 (1956); *Hunt Tool Co. v. Lawrence*, 242 F. 2d 347, *cert. denied*, 354 U.S. 910 (1957); and *Bryan v. Sid W. Richardson, Inc.*, 254 F. 2d 191, *cert. denied*, 27 U.S.L. Week 3111 (October 13, 1958), with *Fritz W. Glitsch & Sons, Inc. v. Wyatt Metal & Boiler Works*, 224 F. 2d 331, 334-335 (1955); *Fairchild v. Poe*, 259 F. 2d 329, 332 (1958), and *Stabler v. Bright Leaf Industries, Inc.*, 261 F. 2d 383, 385-386 (1958), *cert. denied*, 27 U.S.L. Week 3281 (March 31, 1959). The Eighth Circuit has refused to decide directly whether the Patent Act lowered the standard of invention, pointing out that the question "has not been passed upon by the Supreme Court." *Steffan v. Weber Heating & Sheet Metal Co.*, 237 F. 2d 601, 603-604 (1956).

decisions in that Circuit have followed the *Lyon* holding.[14] Judge Clark in the patent cases in which he has taken part has shown a repeated reluctance to recognize and accept Judge Hand's decision in *Lyon* as a definitive interpretation of the Patent Act of 1952 and has instead continued to accord vitality to the strict standards of the *Cuno*, *A. & P.* and other pre-1952 cases.[15]

For example, in *Zoomar, Inc. v. Paillard Products, Inc.*, 258 F.2d 527, 530, *cert. denied*, 358 U.S. 908 (1958), decided three years after *Lyon*, Judge Clark wrote: "The Supreme Court has not had occasion to interpret § 103 in this respect, and we have not definitely ruled on the question in this circuit. Nor need we do so in this case * * *." Judge Clark went on in that opinion to disagree with those cases which have given weight to commercial success.

Judge Clark's refusal to adopt the view that the Patent Act of 1952 changed the *Cuno* standard of invention was made even more clear in *Vacheron & Constantin-Le Coultre Watches, Inc. v. Benrus Watch Co.*, 260 F.2d 637 (1958), in which he dissented from an opinion which had cited and relied on the *Lyon* case. In his dissent he wrote that a patent must

[14] See, for example, *Georgia-Pacific Corp. v. United States Plywood Corp.*, 258 F.2d 124, 132-134, *cert. denied*, 358 U.S. 884 (1958); *Savoy Leather Mfg. Co. v. Standard Brief Case Co.*, 261 F.2d 136, 138 (1958).

[15] Since 1946 Judge Clark appears to have voted to uphold validity in only one patent case out of thirty-nine, and in that case validity was conceded. In this reluctance to accept *Lyon*, Judge Clark was joined by the late Judge Frank, who wrote that he had "serious doubts about the correctness of the [*Lyon*] case." *Vermont Structural Slate Co. v. Tatko Bros. Slate Co.*, 233 F.2d 9, 11 n. 3, *cert. denied*, 352 U.S. 917 (1956).

be "the product of inventive genius," and went on to rely upon one of his own decisions, *Jungersen* v. *Baden*, 166 F.2d 807 (1948), *aff'd*, 335 U.S. 560 (1949) (Judge Hand dissenting), which was rendered prior to the Patent Act and which specifically required a "flash of genius" (260 F.2d at 642-643).

And in the most recent patent case decided in the Second Circuit, *American Safety Table Co.* v. *Schreiber*, Docket Nos. 24959 and 24960 (decided June 19, 1959), Judge Clark dissented from an opinion which upheld a patent on a collar shaping and pressing machine described three times in the majority opinion as involving an extremely simple idea. The majority gave weight to commercial success, citing the *Lyon* case, and the fact that others in the field had long sought the answer and failed (pages 1546, 1549-51 of the slip opinion). Judge Clark wrote that the device was too simple to be patentable and relied upon A. & P., *Jungersen* and other pre-Act cases without any mention of the *Lyon* case (pages 1579-85 of the slip opinion).

When read in light of the above-cited opinions, Judge Clark's majority opinion here clearly presents his view, contrary to *Lyon*, that the law of invention as enunciated in the cases just preceding the Patent Act was unchanged by it. In discussing the necessary "level of invention," Judge Clark cited A. & P., *Cuno* and a Circuit Court case predating the Act (266 F.2d at 843). Indeed, in a footnote, the majority opinion cites cases from other Circuits (some decided before *Lyon*) for the proposition that the test stated in the Act did not "change the law" (266 F.2d at 843-844, n. 5), whereas Judge Lumbard in his dissent cited cases from other Circuits which had followed *Lyon*

and are in conflict with those cited in the majority opinion (266 F.2d at 846-847).

Thus, the majority opinion is inconsistent with the views applied by other judges in the Second Circuit, and it is clearly in conflict with decisions in other Circuits.

The Court Below Failed to Apply the Correct Test of Invention

If certiorari is granted, petitioner will argue that the judgment below should be reversed because it fails properly to interpret and apply the Patent Act of 1952 in the following respects:

(a) Congress intended in the Patent Act to reverse not only the "flash of creative genius" requirement of *Cuno* but the generally restrictive approach to patentability adopted by this Court in such cases as *Cuno*, *A. & P.* and *Jungersen*. By specifically enacting a presumption of validity, Congress intended to place a heavy burden upon those claiming invalidity, so that the courts, instead of insisting on a "rather severe" test and assuming "the improbability of finding invention" (*A. & P.*[16]), must now assume validity until the contrary is proven.

(b) The Patent Act established its own test of validity—whether "the subject matter as a whole

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[16] Judge (now Mr. Justice) Stewart, in *Cold Metal Products Co. v. Newport Steel Corp.*, 226 F. 2d 19 (6th Cir. 1955), in effect recognized the doubt cast upon *A. & P.* by the Patent Act of 1952. The District Court had relied almost entirely on *A. & P.*'s strict standard of invention. Judge Stewart, however, found the patent invalid because the subject matter was obvious to one with ordinary skill. He specifically disclaimed any reliance on *A. & P.*: "We are of the opinion that the patents in suit are lacking in invention, as that concept was understood long before the decision in [*A. & P.*]" (226 F. 2d at 22).

would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains" (§ 103). This is essentially a return to the *Hotchkiss* rule of 1850. The criteria to be used under this test include whether the device is new and useful, whether it fills a long-felt need, whether other unsuccessful efforts had been made to fill the need, and whether the device has met with commercial success. If it meets these criteria, the device cannot be said to have been obvious to one having ordinary skill in the art, for the test of obviousness must be applied without resorting to hindsight.

(c) When the correct test and criteria outlined above are applied to the facts of the case, the Ashton patent must be held valid. The device could not have been obvious to one having ordinary skill in the art, because efforts to invent just such a new and useful tag had failed for years, despite persistent efforts by both petitioner and respondent at the urgent requests of complaining customers, government officials and industry. The tag performs in an entirely new way, meeting the needs of easy attachment, clamping rather than piercing the poultry skin, lying flat for quick reading, and being simple to remove and cheap to manufacture. As a result, the tag met with immediate and phenomenal commercial success, now supplying about 95 per cent of this vital industry's requirements.

2. THERE IS ALSO A CONFLICT AMONG THE CIRCUITS AS TO WHETHER A FINDING OF VALIDITY CAN BE OVERTURNED UNLESS DETERMINED TO BE CLEARLY ERRONEOUS

In this case, the majority opinion reversed Judge Dawson's finding of validity without holding that it or any of his findings were clearly erroneous within the meaning of Rule 52(a) of the Federal Rules of

Civil Procedure. In this regard, the Seventh Circuit Court of Appeals has noted: "We are aware of a conflict of opinion among the courts of appeals on the question of whether validity [of a patent] is a question of fact or a question of law."[17]

The majority opinion conflicts with opinions of the First, Third, Sixth, Eighth and Ninth Circuits, which have held that a finding of validity is one of fact and cannot be reversed unless clearly erroneous.[18] Other Circuits, such as the Fourth, Fifth, and Tenth, have held that validity is an issue of law which is subject to normal review by the appellate court.[19]

[17] *Nobli Co. v. C. S. Johnson Co.*, *supra*, 241 F. 2d at 477 n. 9 (1957). This conflict is reflected in several of the decisions of that Circuit. See, *e.g.*, and compare the approaches used in *Anderson Co. v. Sears, Roebuck & Co.*, 265 F. 2d 755, 761 (7th Cir. 1959); *Majonnier Dawson Co. v. U. S. Dairies Sales Corp.*, 251 F. 2d 345, 353-4 (7th Cir.), *cert. denied*, 356 U.S. 975 (1958), and *Nobli Co. v. C. S. Johnson Co.*, *supra*.

[18] *Wasserman v. Burgess & Blocher Co.*, *supra*, 217 F. 2d at 404 (1st Cir.); *R. M. Palmer Co. v. Ludeo's Inc.*, *supra*, 236 F. 2d at 498 (3rd Cir.); *Gibson-Stewart Co. v. Wm. Brox. Boiler & Mfg. Co.*, 264 F. 2d 776, 779 (6th Cir.), *cert. denied*, 27 U.S.L. Week 3371 (June 29, 1959); *Cutting Room Appliances Corp. v. Weatherbee Coats, Inc.*, 250 F. 2d 39, 40 (6th Cir. 1957); *United Parts Mfg. Co. v. Lee Motor Products, Inc.*, 266 F. 2d 20, 25-26 (6th Cir. 1959); *Steffan v. Weber Heating & Sheet Metal Co.*, *supra*, 237 F. 2d at 602 (8th Cir.); *Stauffer v. Stimpelvia Systems of California, Inc.*, 254 F. 2d 127, 127-128 (9th Cir. 1957) (and cases there cited at 127 n. 1); *Oriental Foods, Inc. v. Chun King Sales, Inc.*, 244 F. 2d 909, 913 (9th Cir. 1957).

[19] *American Monorail Co. v. Parks-Cramer Co.*, 245 F. 2d 739, 742 (4th Cir.), *cert. denied*, 355 U.S. 893 (1957); *Fritz W. Glitsch & Sons, Inc. v. Wyatt Metal & Boiler Works*, *supra*, 224 F. 2d at 335 (5th Cir.), but see *Fairchild v. Pan*, 259 F. 2d 329, 331 (5th Cir. 1958) for contrary statement; *Bloch, Metz & Silliman Hardware Co. v. Tru-Saver Tools, Inc.*, 236 F. 2d 913, 916 (10th Cir. 1956), *cert. denied*, 352 U.S. 1004 (1957); *Consolidated Electrodynamics Corp. v. Midwestern Instruments, Inc.*, *supra*, 260 F. 2d at 815 (10th Cir.).

The importance of careful findings in the trial court in this field is obvious. The Courts of Appeals should not be encouraged to brush aside findings without the careful consideration which the care of the District Courts deserves. Adherence to the requirements of Rule 52(a) should envisage efficient and careful disposition of patent litigation; its non-application discourages that course.

In the instant case, the Court of Appeals failed to hold that Judge Dawson's finding of validity was clearly erroneous, and the opinion would not justify such a conclusion; Judge Lumbard's dissent, as well as Judge Dawson's opinion itself, demonstrate that the finding was not "clearly erroneous." If a finding of validity permits reversal only if clearly erroneous —as petitioner will urge the Court to hold if certiorari is granted—the decision below cannot stand. This conflict between the Circuits on the applicability of Rule 52(a) to ultimate findings of fact in patent cases, important as it is to the future judicial administration of such litigation, merits review by this Court.

3. THIS CASE INVOLVES AN IMPORTANT QUESTION OF FEDERAL LAW WHICH HAS NOT BEEN BUT SHOULD BE SETTLED BY THIS COURT

While this Court is understandably reluctant to review patent cases, many of which tend to turn on factual distinctions rather than legal standards and issues, the present conflicts and confusions as to the intent of Congress in passing the 1952 Act indicate the desirability of review in this case, which is uncomplicated by elaborate mechanical and factual issues. The existing confusion to the public disadvantage, as well as the need for a clarifying decision

by this Court is emphasized in recent literature[20] and by the courts themselves. The conflict is not of mere academic interest—it is causing great diversity of results among the Circuits and within Circuits.[21]

[20] *E.g.* Bailey, *A Proposal for: A Standard of Patentability; Consequent Statutory Changes; A Manual on Determination of Patentability*, 41 J. Pat. Off. Soc'y 192, 215-219 (1959); Brumbaugh, *Sustaining Patentability in United States Courts and Related Questions*, 40 J. Pat. Off. Soc'y 35 (1958); Marans, *Some Aspects of the Patent Act of 1952 as Interpreted by Recently Published Decisions*, 39 J. Pat. Off. Soc'y 177, 189 (1957) ("A study of the decisions shows that there is a wide area of disagreement on the interpretation of Section 103 of the act, relating to the standard of invention * * *"); Webb, *Patents—The Changing Standard of Patentable Invention—Confusion Compounded*, 55 Mich. L. Rev. 985 (1957); Deller, *An Inquiry into the Uncertainties of Patentable Invention and Suggested Remedies*, 38 J. Pat. Off. Soc'y 152, 153 (1956) ("When the 1952 Patent Act was passed, it was assumed that the confusion would be eliminated and that it would have a stabilizing effect [footnote deleted]. Unhappily, this has not been the case"); Libert, *Section 103 of the Patent Act and the Standard of Invention: Comments on Lyon v. Bausch & Lomb Optical Co.*, 38 J. Pat. Off. Soc'y 304, 305, 310 (1956); Wiviott, *Patent Law—Test of Invention*, 38 J. Pat. Off. Soc'y 527, 533 (1956), ("It will probably be only a matter of time, however, until the [Supreme] Court takes the question since there is an apparent split in the Circuit courts on the issue"); Harris, *Some Aspects of the Underlying Legislative Intent of the Patent Act of 1952*, 23 Geo. Wash. L. Rev. 658 (1955); Recent decision, 3 Villa. L. Rev. 421 (1958), ("The standard of invention is still in a state of confusion as is evidenced by the divergence of decisions among the circuit courts. * * * Only a Supreme Court decision, squarely on point, will eliminate the confusion in this area of the law and will either adopt or reject Judge Hand's interpretation of Section 103 of the Patent Act of 1952"); Recent case, 69 Harv. L. Rev. 388 (1955); Comment, 41 Iowa L. Rev. 699, 701 (1956); Recent decision, 17 U. Pitt. L. Rev. 733, 735 (1956).

[21] While very recent figures are not available, a Senate Subcommittee study covering the period from 1948 to 1954 revealed that the percentage of patents held valid and infringed ranged all the way from 37 per cent in the Fourth Circuit to only 2.6 per cent

A comparison of the decision and result in the instant case with the decision and result in *Georgia-Pacific Corp.* v. *United States Plywood Corp., supra*, 258 F.2d 124, in which the opinion was written by Judge Lumbard for himself and Judges Medina and Waterman, points up the differences within the Second Circuit. The entire approach of these two cases is different. In the latter case, Judge Lumbard, citing the presumption of validity and commercial success, overturned the trial court's findings of fact to hold a relatively simple device patentable, whereas in the instant case, Judge Clark overturned the trial court's factual findings to hold a patent invalid without even finding them to be clearly erroneous.

Judge Clark's opinion in this case, particularly when read against the background of his statements in the other opinions cited above, reveals the disagreement within the Second Circuit itself on the correct approach to inventiveness. And Judge Lumbard's dissent assumes added significance in light of the fact that he has not hesitated to hold devices unpatentable in *Welsh Mfg. Co.* v. *Sunware Products Co.*, 236 F.2d 225 (1956), and *Magnus Harmonica Corp.* v. *Lapin Products, Inc.*, 236 F.2d 285 (1956), even under "the relaxed standard" of *Lyon*, when the devices were obviously deficient.

Such variations between relative hostility to patents among those who follow the pre-1952 rules and relative hospitality to them by those who believe that Congress intended to relax the hostility are undesirable, and they can only be eliminated by review

in the Second Circuit. Senate Hearings before the Subcommittee on Patents, Trade-Marks and Copyrights of the Committee on the Judiciary, 84th Cong., 1st Sess. (October 10-12, 1955), p. 178.

of a proper case in this Court. The present simple record presents such a case. The results in such an important field of Federal law, of widespread public importance, should not continue to depend on the vagaries of geography or the particular assignments within Circuits.

CONCLUSION

For each of the above reasons, this petition for a writ of certiorari should be granted.

Respectfully submitted,

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August 28, 1959

APPENDIX

APPENDIX A

F. J. Brooks Company, *Plaintiff-Appellant*,

v.

Stoffel Seals Corporation, *Defendant-Appellee*.

No. 82, Docket 25191.

United States Court of Appeals
Second Circuit.

Argued Dec. 11, 1958.

Decided May 4, 1959.

Before Clark, *Chief Judge*, and Hincks and Lombard, *Circuit Judges*.

Clark, *Chief Judge*.

This appeal is from a decision below, D.C.S.D.N.Y., 160 F.Supp. 581, rendered on defendant's counterclaim holding plaintiff to have infringed defendant's Ashton Patent No. 2,611,198 for a poultry tag. The sole issue is as to the validity of the patent, since the plaintiff is not here attacking the finding of infringement against it. No question is raised as to the court's rulings of invalidity of two other patents in issue at the trial.

The Ashton poultry tag patent covers a device exceedingly simple both in construction and in function; and the court below sustained it almost entirely on the device's commercial success and a finding that it filled long felt needs in the tag-making industry. The device covered by the patent is a simple metal tag designed for attachment to the dressed carcass of a chicken or other fowl. It is stamped of a single piece of thin bendable metal, the main portion of which is surrounded by a curved lip with an opening in one end and a narrow tongue of

metal at the other conveniently bent toward this opening in two places so as to flatten out and clamp a fold of poultry skin in it when the tongue and main portion are pressed together. The use of metal tags is quite old in the poultry industry,[1] and novelty is claimed only in the clamping or grasping manner by which Ashton's tag is attached to the bird. The clip-type tags previously in most common use were affixed by a sharply pointed tongue which pierced through the skin of the fowl on compression and then bent backwards, locking the tag.

The trial court found that the Ashton tag filled a need long felt in its industry. But apart from the usual and common desire of manufacturers constantly to improve their product—the stimulus of nearly all routine engineering improvements—there is no evidence of any specific and recognized problems which the claimed invention solved. While there is some evidence that the older clip-type tags were difficult for housewives to remove and their piercing of the skin of the bird decreased the value of the poultry, it is not clear that Ashton's patented device eliminated either of these difficulties. The patent itself stresses the tag's tightly locking feature, rather than any ease of removal.[2] And as its claims are not limited to blunt tongued tags which will not pierce poultry skin, many of the tags shown at the trial to be made under or in infringement of the patent have sharp or even double-pronged tongues to allow them to pierce, as well as clamp, the skin of the bird. The testimony of Hans F. Stoffel of the

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[1] As is the use of price or grade-defining tags generally. Thus see E. J. Brooks Co. v. Klein, 3 Cir., 114 F. 2d 955, invalidating such a patent, and Klein v. American Casting & Mfg. Corp., 2 Cir., 87 F. 2d 291, L. Hand, J., dissenting, upholding one. Both cases deal with the usual issues of claimed mutilation of the product and commercial success.

[2] "Continued pressure * * * forces the locking tongue * * * to snap into the reverse angular position shown in Figure 5. In that position the tag is 'locked' to the skin of the fowl carcass and may not be removed without damage to or destruction of the tag."

defendant corporation is typical of the record on this point. When questioned by the court as to the *problem* on which he and the rest of the industry allegedly had been working before Ashton came out with his tag, he could answer only in terms of Ashton's *solution*, and how good that was, surpassing his own prior efforts in various features. Additionally, the finding that Ashton solved problems of long standing in the industry is belied by the discussion in the patent itself: "In the past wing tags have been popular and quite satisfactory for certain purposes. They were variously constructed but usually were so made that they could be conveniently and securely clipped to the wing of a bird but were unsuitable for clipping to the breast. *Recently* however there has been a demand for a breast tag." (Emphasis added.)

The record is similarly ambiguous as to the several advantages Stoffel claims for the patented device. While Stoffel did show that the tags were somewhat less expensive to manufacture, store, and ship than those previously used, these savings seem due principally to the use of less metal on their backs—a feature easily duplicated on the older clip-type tags as well, and wholly unrelated to the workings of their clamping mechanism. Moreover, while they may be somewhat more easily applied to poultry than the older tags, we cannot find how significant this improvement may have been, since there is no proof of the rate at which a skilled operator could apply the clip-type tags.

[1] On this record we cannot find any invention in the Ashton patent. While we need not decide whether Ashton was anticipated by the Bicknell paper clasp patent No. 1,163,127 of 1915 or the Buck & Barnes laundry tag patent No. 492,085 of 1893, the close physical similarity of these tags to Ashton's underscores its obviousness. It concededly differs from tags long used on poultry only in its mode of affixture. This change hardly reaches that level

of invention required by statute and the Constitution for the grant of a patent monopoly. 35 U.S.C. § 103; U.S. Const. Art. 1, § 8.[3] Affixture by clamping is as common as the ordinary clothespin used to hold clothes on a line. And the bent metal tongue which develops the tag's clamping pressure is a simple toggle not unlike toggles used to develop a controlled pressure in devices as diverse as stone crushers, wagon brakes, and shoe trees.[4] Such an adaptation of a device common to many dissimilar fields, achieving no unusual results and solving no problems of recognized difficulty, is clearly not invention. Welsh Mfg. Co. v. Sunware Products Co., 2 Cir., 236 F.2d 225, 226.

[2] The device is, in short, a simple and obvious gadget of the type held unpatentable in Great Atlantic & Pac. Tea Co. v. Supermarket Equipment Corp., 340 U.S. 147, 71 S.Ct. 127, 95 L.Ed. 162, or Savoy Leather Mfg. Corp.

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[3] "It is worth emphasis that every patent case involving validity presents a question which requires reference to a standard written into the Constitution." Great Atlantic & Pac. Tea Co. v. Supermarket Equipment Corp., 340 U.S. 147, 154, 71 S. Ct. 127, 131, 95 L. Ed. 162. See also Cuno Engineering Corp. v. Automatic Devices Corp., 314 U.S. 84, 91, 62 S. Ct. 37, 86 L. Ed. 58; Gillman v. Stern, 2 Cir., 114 F. 2d 28, 30, certiorari denied Stern v. Gillman, 311 U.S. 718, 61 S. Ct. 441, 85 L. Ed. 468.

[4] While the patent stresses employment of the principle of the toggle, this perhaps assumes a scientific background for the device beyond what it deserves. For the toggle joint is essentially a device to develop extreme pressure where needed, see Webster's New International Dictionary (2d Ed. 1939) and 22 Encyc. Brit. 485(b) (14th Ed. 1929), while here strong pressure is rather eschewed, see text at note 2 supra. Further, the toggle principle itself is old and not patentable. See 11 The Oxford English Dictionary, Ti-Tz, 106 (1933), giving a definition from "1847 Webster." The patent itself stresses as an essential feature "an angularly bent tongue" so "arranged and dimensioned" as to be easily manipulated to catch a fold of chicken skin through an aperture in the tab protion when the tongue is straightened; but no attempt is made to define the amount of bend, and the invention is expressly not limited "to the shape of the parts shown in the drawings." A flexible and conveniently, but imprecisely, bendable metal hardly embodies originality.

v. Standard Brief Case Co., 2 Cir., 261 F.2d 136, or Surgitube Products Corp. v. Scholl Mfg. Co., 2 Cir., 262 F.2d 824; and it is clearly more obvious than the widely used and highly successful Zoomar lens held not novel in Zoomar, Inc. v. Paillard Products, 2 Cir., 258 F.2d 527, certiorari denied 358 U.S. 908, 79 S.Ct. 237, 3 L.Ed. 2d 230. Indeed we know of no case in this circuit or in others which can be considered authority for sustaining so ordinary a device. Clearly Lyon v. Bausch & Lomb Optical Co., 2 Cir., 224 F.2d 530, 536, certiorari denied Bausch & Lomb Optical Co. v. Lyon, 350 U.S. 911, 76 S.Ct. 193, 100 L.Ed. 799, does not support it; that case in fact recognizes "the continued authority" of Hotchkiss v. Greenwood, 11 How. 248, 267, 52 U.S. 248, 267, 13 L.Ed. 683, and its requirement that the improvement over the prior art must be more than would be obvious to a person having ordinary skill in the art. And that test is definitely and expressly carried over to the Patent Act of 1952, 35 U.S.C. § 103.[5]

[5] As made explicit in the Reviser's Note to § 103 and the Committee Reports. Sen. Rep. No. 1979, 82d Cong., 2d Sess., June 27, 1952, 2 U.S. Code Cong. & Adm. News, pp. 2394, 2402, 2403 (1952); also H.R. Rep. No. 1923, 82d Cong., 2d Sess., May 12, 1952. As these materials show, the only change contemplated in this Act — essentially a codification and not a revision, see Federico, Commentary on the New Patent Act, 35 U.S.C.A. 1, 6 et seq.—was to disavow the implication read by some into the "flash of creative genius" characterization—as opposed to "merely the skill of the calling"—of Cuno Engineering Corp. v. Automatic Devices Corp., 314 U.S. 84, 62 S. Ct. 37, 41, 86 L. Ed. 58, that the manner in which the invention was made, rather than the device itself, was significant. Among the many decisions holding that the stated test does not change the law, the following may be cited: Hawley Products Co. v. United States Trunk Co., 1 Cir., 259 F. 2d 69, 70; Wasserman v. Burgess & Blacher Co., 1 Cir., 217 F. 2d 402; Interstate Rubber Products Corp. v. Radiator Specialty Co., 4 Cir., 214 F. 2d 546, 548-549; Vincent v. Sunkist Growers, Inc., 5 Cir., 215 F. 2d 305, 315-316, certiorari denied 348 U.S. 952, 75 S. Ct. 440, 99 L. Ed. 744; Bobertz v. General Motors Corp., 6 Cir., 228 F. 2d 94, 99, certiorari denied 352 U.S. 824, 77 S. Ct. 32, 1 L. Ed. 2d 47; General Motors Corp. v. Estate Stove Co., 6 Cir., 203 F. 2d 912, certiorari denied Estate Stove Co. v. General Motors Corp., 346 U.S. 822, 74 S. Ct. 37, 98 L. Ed. 348; Helms Products v. Lake

It cannot be held satisfied by the convenient flexing of the metal tongue here.

[3-5] Where invention is so plainly lacking, commercial success cannot validate the patent. Jungersen v. Ostby & Barton Co., 335 U.S. 560, 69 S.Ct. 269, 93 L.Ed. 235, affirming Jungersen v. Baden, 2 Cir., 166 F.2d 807; Bostitch, Inc. v. Precision Staple Corp., 2 Cir., 178 F.2d 332; Magnus Harmonica Corp. v. Lapin Products, 2 Cir., 236 F.2d 285; Kleinman v. Kobler, 2 Cir., 230 F.2d 913, certiorari denied 352 U.S. 830, 77 S.Ct. 44, 1 L.Ed.2d 51. As the cases just cited show, we have needed to view these insistent claims of commercial success with a degree of sophistication, lest we give undue rewards to skillful advertising. Here we have before us the two manufacturers who monopolize the American market which became active with the increased practice of tagging poultry as encouraged by the United States and Canadian Agricultural Departments. Certainly their business would grow under the circumstances. The district court, however, made no attempt to apportion the sales in terms of response to these various obvious stimuli. Perhaps an essay at such an informative evaluation would not have been possible on the evidence; at any rate, lack of real knowledge re-emphasizes the danger of substituting sales figures for novelty.

Judgment reversed; counterclaim dismissed; action remanded for the entry of a declaratory judgment holding the patent invalid.

Shore Mfg. Co., 7 Cir., 227 F.2d 677, 682-683; Pacific Contact Laboratories v. Solex Laboratories, 9 Cir., 209 F.2d 529, 532-533; certiorari denied 348 U.S. 816, 75 S.Ct. 26, 99 L.Ed. 643; Seismograph Service Corp. v. Offshore Raydist, Inc., D.C.E.D.La., 135 F.Supp. 342, 350.

LUMBARD, *Circuit Judge* (dissenting).

I dissent from the opinion of my colleagues because tested by the standard of invention this court adopted in Lyon v. Bausch & Lomb Optical Co., 2 Cir., 1955, 224 F.2d 530, certiorari denied 1955, 350 U.S. 911, 76 S.Ct. 195, 100 L.Ed. 799, the Ashton poultry tag patent No. 2,611,198 is valid. I agree with Judge Dawson's holding and with the reasons he has stated in his thorough and lucid opinion reported at 160 F.Supp. 581.

The Ashton patent covers a simple tag structure consisting of a single piece of thin bendable metal, the main portion of which has an opening near one end. The other end, which tapers to a tongue, is a toggle consisting of two sections joined by a bendable knee. When the knee is pressed against the main portion the tongue flattens out so that its tip engages the opening and holds the tag fast to the poultry skin which has been clamped between the opening and the tongue end. In the more technical language of claim 6 the invention is described thus:

> "6. A tag structure comprising a main portion having an aperture, a locking tongue having a tip, said tongue extending normally at an angle with respect to said main portion and being integral therewith, said tongue comprising two sections joined to each other by a bendable knee, whereby said two sections form a toggle, which when moved against said main portion flattens out and lengthens to thereby bring about engagement of said tip of said tongue with said aperture."

This claimed invention has been very useful in the poultry business as the tag is easily and quickly attached to the breast of a fowl like that so that the fowl is still edible but can be easily removed.

While metal tags of all kinds and descriptions are old in the poultry industry and many others, it is the use of

the toggle principle and the pressure which is thus continuously applied to clamp the poultry skin firmly against the aperture, which is the essence of the claimed invention of the Ashton patent. The device seems disarmingly simple but the record amply supports Stoffel's contentions that Ashton's tag filled a long existing need for a tag easy to attach and to remove; that Ashton's tag was far superior to any previously made, and that its overwhelming acceptance since 1949 is conclusive evidence of its superiority and dispels any possible doubts that it constitutes invention.

The appellant claims, and my colleagues agree, that Ashton's tag lacks patentable invention because it does nothing more than apply the principle of the toggle and its endwise pressure. It is true that where a principle, such as the toggle, is common to many dissimilar fields, its application to a new field may involve no more than ordinary mechanical skill. See, e. g., Welsh Mfg. Co. v. Sunware Products, 2 Cir., 1956, 236 F.2d 225, 226. But Ashton, by using the toggle action in his poultry tag to force the tongue against an aperture so as to catch and hold fast the poultry skin which comes between without piercing it, solved many difficulties of long standing in the poultry tagging business which had not previously yielded to continuous research and experiment. In such circumstances it is plain that, familiar though the toggle joint may be, it was not "reasonably obvious to one skilled in the art."

The difficulties with the prior tags, scores of which were in evidence, were the subject of comment and complaint over many years. Thus housewives complained that the tags were very difficult to remove and caused them to break their fingernails. Taggers also complained that the piercing type tags injured the skin and caused the fowl to be downgraded, and that because the tags did not lie flat they caused damage to themselves and the information

they bore as well as to the bird, and that, although breast tagging was most desirable, the old tags were primarily only suitable for use on the wing.

Brooks, in business since 1873, had used hundreds of different seals and had taken out about seventy-five patents in this field in an effort to solve these problems. Beginning in 1940 or 1941 Hans Stoffel, the head of Brooks' primary competitor, Stoffel Seals Corporation, also worked on a solution; and he had the assistance of one Stelzer. The United States and Canadian Departments of Agriculture for a considerable time also pursued similar experiments to develop a more satisfactory tag in order to encourage their programs for the grading and marking of poultry.

Of all who sought a workable solution, only Ashton devised a satisfactory product to meet the needs of all. His tag is lighter, cheaper to manufacture, store, ship and sell, more readily applied (3,000 per hour), lies flat, may be applied to breast or wing, won't pierce and apparently won't break fingernails. So successful was Ashton's solution, that since 1949, when production of his tag was commenced, these tags have taken over more than 90% of the market, including the three largest processors, Armour and Co., Swift & Co., and Wilson & Co., and their share of the market was still increasing when this case was tried in December 1957.

Thus while this little tag may seem at first glance very simple and obvious, a large and growing industry sought it continuously and unsuccessfully for many years. Beside it the old tags, used for so long, are clumsy, expensive, inefficient and relatively difficult and unsafe to handle, and they cannot compete with it in the market place.

In my opinion the circumstances of the long search for a satisfactory solution, plus its extraordinary commercial success once it was marketed, leave no doubt that this

poultry tag was much needed and that its advantages are so striking and such an advance over the prior art that invention has been established. Georgia Pacific Corp. v. United States Plywood Co., 2 Cir., 1958, 258 F.2d 124, 133; certiorari denied 1958, 358 U.S. 884, 79 S.Ct. 124, 3 L.Ed.2d 112; Technical Tape Corp. v. Minnesota Mining & Mfg. Co., 2 Cir., 1957, 247 F.2d 343, 347, certiorari denied 1957, 355 U.S. 952, 78 S.Ct. 537, 2 L.Ed.2d 529.

Since the 1952 Amendment to the Patent Laws, 35 U.S.C. § 1 et seq., and the codification of the rule that a duly issued patent is to be presumed valid, 35 U.S.C. § 282, courts must no longer approach the consideration of what is invention with specially restrictive judicial views of inventiveness. Georgia-Pacific Corp. v. United States Plywood Co., supra, 258 F.2d at page 133; Lyon v. Bausch & Lomb Optical Co., supra. The establishment of a more liberal standard than the "flash of creative genius" doctrine enunciated in the Cuno case was apparently one of the principal reasons why Congress passed the 1952 Patent Act, 35 U.S.C. § 101 ff., especially § 103. See e. g., Reviser's Note to § 103, 2d Para.; Note, 44 Georgetown L.J. 100 (1955); Harris, Some Aspects of Legislative Intent of the Patent Act of 1952, 23 Geo. Wash.L.Rev. 658, 676 ff. (1955). We so held in Lyon v. Bausch & Lomb Optical Co., supra, where the Cuno decision was cited as "the furthest departure" (224 F.2d 536) from the test of *Hotchkiss v. Greenwood*, 1851, 11 How. 248, 267, 13 L.Ed. 683, to which the 1952 enactment was held to have returned devoid of intervening glosses.

I do not understand that Judge Clark's opinion would advance a standard of invention any different from that which we unanimously expressed in Lyon v. Bausch & Lomb Optical Co., supra, which was reaffirmed by us in Georgia Pacific Corp. v. United States Plywood Co., supra; Magnus Harmonica Corp. v. Lapin, 2 Cir., 1956, 236 F.2d 285, 296; Welsh Mfg. Co. v. Sunware Products, supra;

Wilson Athletic Goods Mfg. Co. v. Kennedy Sporting Goods, 2 Cir., 1956, 233 F.2d 280; Vermont Structural Slate Co. v. Tatko Bros., 2 Cir., 1956, 233 F.2d 9; Gentzel v. Manning, 2 Cir., 1956, 230 F.2d 344. Thus we have recognized that the 1952 Patent Act has overruled Picard v. United Aircraft Corp., 2 Cir., 1942, 128 F.2d 632, and that Congress has made it clear that what was said in Cuno Engineering Corp. v. Automatic Devices Corp., 1941, 314 U.S. 84, 91, 62 S.Ct. 37, 86 L.Ed. 58, about a "flash of creative genius" was not a proper test of invention. If this be only codification at least we now start with 1952 and we no longer need consider decisions that look the other way.

As Judge Kalodner pointed out for the Third Circuit sitting *en banc* in R. M. Palmer Co. v. Luden's, Inc., 1956, 236 F.2d 496, 500, whether the 1952 amendments were a codification rather than a change in existing law depends entirely on what view any particular circuit had taken prior to 1952. He concluded with "There is no longer any doubt that the 'flash of genius' [test] has been laid to rest," and placed its determination in part on "the sensitive observations of" the Lyon case.

In my view the citation of the Cuno case in Judge Clark's footnotes is apt to be misleading as the implications of its "flash of creative genius" phrase, whether dictum or not, has been repudiated by the paramount authority of the *Congress*. Other circuits which have expressly adopted the analysis of Lyon v. Bausch & Lomb Optical Co., supra, are the District of Columbia, L-O-F Glass Fibers Co. v. Watson, 1955, 97 U.S.App.D.C. 69, 228 F.2d 40, 47 and note 14; Third Circuit, R. M. Palmer Co. v. Luden's, Inc., 1956, 236 F.2d 496, 500; Fourth Circuit, Brown v. Brock, 1957, 240 F.2d 723. Only the First Circuit appears to have considered and rejected it. See, e. g., Hawley Products Co. v. United States Trunk, 1958, 259 F.2d 69.

As I would find the patent not invalid for lack of invention, it is necessary to discuss other claims of the appellant.

Brooks urges not only that the Ashton tag is not invention, but also that it was anticipated by the Bicknell paper clasp patent No. 1,163,127 of 1915 and the Buck and Barnes laundry tag patent No. 492,085 of 1893. I do not agree.

As Judge Dawson points out, these two prior patents both involve the clip principle in the execution of which the clip is made fast to the article by piercing it. Neither of these earlier patents uses the toggle or principle to hold the tag in place, without the necessity of piercing, by means of continuous endwise pressure. Both prior patents employ a sharp point designed to penetrate the paper or material and secure itself on the other side of the penetration.

Bicknell employed a "tapering tongue" which was set at an angle of almost 90 degrees to the upper part of the clasp; this provided for a downward puncturing of the paper when the clasp was pressed, after which the tongue locked under the end. There was no application whatever of the continuous endwise pressure of the toggle principle. When the top of the Bicknell paper clasp is pushed down the tongue does not operate as a toggle to hold fast by reason of the great pressure which the tongue exerts in the reverse angular position as shown in Figure 3 of the Ashton patent. Even the appellant's expert, Judah B. Felshin, was constrained to admit at trial that modifications would be necessary before any toggle action would result from a practice of the Bicknell patent.

The great difference between the Bicknell and Ashton patents is best understood by comparison of the ease with which the Bicknell fastener slips out and the relative difficulty of releasing the Ashton poultry tag, and the fact

that the purpose of Bicknell is to pierce while Ashton is designed in order to avoid piercing.

The Buck and Barnes laundry tag patent likewise bears little resemblance to Ashton. There the two toe at one end of the tag are pressed under the curved lip of the other end of the tag after piercing the cloth which lies between. The teeth are not at an angle but are merely at the end of the surface, and no endwise pressure against the teeth is developed by pressing them under the curved lip. Thus, despite appellant's claim that this "inherently provides a toggle action," it seems to me to be far removed from suggesting any. There is nothing in the prior art which anticipated the teaching of Ashton's patent.

The appellant also urges that relief should be denied Stoffel because of unclean hands in connection with the filing of another application relating to similar poultry tags by its employee Stelzer. I agree with Judge Dawson that the appellee's actions were proper, especially in view of the fact that it owned all the rights to both the Ashton and the Stelzer applications on which the Patent Office issued patents the same day and the net result is that there has been no extension of the patent monopoly. I also agree with Judge Dawson that there is no basis for holding that the appellee elected the Stelzer patent as against the Ashton patent.

For these reasons I would affirm the judgment below.

APPENDIX B

Judgment

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

The issues in the above entitled action having been regularly brought on for trial before Hon. Archie O. Dawson, United States District Judge, without a jury, the

parties having appeared by their respective counsel, and the issues having been duly tried, and upon the findings of facts and conclusions of law set forth in the opinion filed in this Court March 31, 1958, it is

ORDERED, ADJUDGED AND DECREED:

1. That the Ashton Patent, Letters Patent of the United States, No. 2,611,198, issued September 23, 1952, is a valid patent and is owned by the defendant, STOFFEL SEALS CORPORATION.

2. That E. J. BROOKS COMPANY has infringed and is infringing Claims 6, 7, 8 and 9 of the said Letters Patent No. 2,611,198, and said E. J. BROOKS COMPANY threatens to continue to do so and STOFFEL SEALS CORPORATION has no adequate remedy at law with reference thereto.

3. That the Moberg Patent, Letters Patent of the United States, No. 2,686,379, issued August 17, 1954, is owned by E. J. BROOKS COMPANY but is invalid.

4. That the Stelzer Patent, Letters Patent of the United States, No. 2,611,199, is owned by STOFFEL SEALS CORPORATION, but is invalid.

5. That E. J. BROOKS COMPANY, its officers, agents, attorneys, employees, associates and representatives, and each of them, are enjoined from manufacturing, selling, distributing or using seals, tags or tag structures embodying the invention covered by any of Claims 6, 7, 8 and 9 of said Letters Patent No. 2,611,198, during its term, and from offering or advertising so to do, and from aiding or abetting or in any way contributing to the infringement of any of said claims.

6. That STOFFEL SEALS CORPORATION recover from E. J. BROOKS COMPANY for the latter's infringement of Claims 6, 7, 8 and 9 of said Letters Patent No. 2,611,198, damages according to law, and this action is hereby referred to JOHN TRUBIN, ESQ., 70 E. 45 St., N. Y. C. as Special

Master, to take and report the account of the damages sustained by STOFFEL SEALS CORPORATION by reason of said infringement, and, further, to consider whether STOFFEL SEALS CORPORATION is entitled to treble damages pursuant to Section 284 of Title 35 of the United States Code in connection with the determination of damages, provided, however, that the findings of the Special Master with respect to treble damages shall be subject to the review and final determination of this Court; and E. J. BROOKS COMPANY, its officers, agents, clerks, employees and representatives are directed to attend before said Special Master from time to time as he shall direct and produce before him all such books, papers, vouchers, documents and devices and to submit to such other examination as he may direct.

7. That STOFFEL SEALS CORPORATION recover from E. J. BROOKS COMPANY its costs and disbursements in this suit, to be taxed by the Clerk.

Dated: April 21, 1958

s/ ARCHIE O. DAWSON
U. S. D. J.

Judgment Entered
April 21, 1958
Herbert A. Charlson
Clerk

Approved as to form

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Opinion

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DAWSON, D. J.:

This action is for patent infringement. It relates to small metal tags or seals which are attached to poultry for grading, identification, inspection or trade-mark purposes. The patents involved are:

Ashton Patent No. 2,611,198, owned by defendant;
Stelzer Patent No. 2,611,199, owned by defendant;
Moberg Patent No. 2,686,379, owned by plaintiff.

The issues essentially are:

(1) Are these patents valid, and

(2) Have these patents been infringed?

Plaintiff presents still another issue:

(3) Does a justiciable controversy exist as to defendant's Stelzer Patent No. 2,611,199?

The parties are corporate manufacturers of poultry seals which are seals adapted to being clipped on to dressed poultry so that the purchaser may, by observing them, ascertain the brand names and, in some cases, inspection or grading information.

The Pleadings

Plaintiff and defendant are competitors and appear, from the testimony, to be the only manufacturers of poultry seals. Plaintiff's original complaint alleged that a controversy existed with respect to defendant's Stelzer patent No. 2,611,199 and asserted that the patent was invalid. Defendant's answer denied that any controversy existed with respect to the Steizer patent and denied that the Court had jurisdiction. In its amended answer defendant, in its first counterclaim, claimed ownership of the Ashton patent and alleged infringement by the plaintiff. Plaintiff replied with allegations of invalidity of the Ashton patent and denied infringement and also asserted an estoppel against the defendant because of the lapse of time between the date of the patent and the date of the answer. In a supplemental complaint plaintiff alleged the issuance to it of Moberg Patent No. 2,686,379 and alleged infringement by the defendant. In answer to this supplemental complaint the defendant denied validity of the patent and denied infringement. In defendant's second amended answer a second counterclaim alleged activities of unfair competition by the plaintiff. However, at the trial, it was agreed that the issues relating to unfair competition would not be pressed and that the case would be tried solely on the issues of validity and infringement of the respective patents. However, plaintiff claims that the defendant elected the Stelzer application over the Ashton application (both of which had been assigned to it) during proceedings in the Patent Office and that, therefore, defendant is now estopped from asserting that the Ashton patent had priority over the Stelzer patent.

Parties and Jurisdiction

1. Plaintiff, a New Jersey corporation, has been engaged for approximately 75 years in marketing and selling various types of metal seals, and for a number of years made and sold such seals for use on poultry. Defendant,

a New York corporation, has been making and selling such metal seals, including seals for use on poultry, some ten years.

2. This Court has jurisdiction of this action under 28 U. S. C. §§ 1338, 2201. Jurisdiction might also be founded on diversity of citizenship since the amount in controversy exceeds $3,000.

Discussion

Is the Ashton Patent Valid?

This patent was issued September 23, 1952. The inventor is Ernest Ward Ashton of Ottawa, Canada, who assigned the invention to the defendant Stoffel Seals Corporation.

The inventor said in the patent specifications that in the past wing tags for attaching to poultry had been popular; that they were usually so made that they could be secured to the wing of the bird but were unsuitable for clipping to the breast and that

> "Recently, however, there has been a demand for a breast tag, that is to say, a tag that may be secured to the breast of the fowl carcass rather than the wing. Wing tags are not satisfactory for that purpose for the reason that when secured to the breast they stand more or less erect whereas a satisfactory breast tag should lie flat on the breast."

The essential nature of the Ashton patent is set forth in Claims 6, 7, 8 and 9, of which claims Claim No. 6 is representative. This claim reads as follows:

> "6. A tag structure comprising a main portion having an aperture, a locking tongue having a tip, said tongue extending normally at an angle with respect to said main portion and being integral therewith, said tongue comprising two sections joined to each other by a bendable knee, whereby said two sections form a toggle, which when moved against said main portion flattens out and lengthens to thereby bring

about engagement of said tip of said tongue with said aperture."

Plaintiff urges that the patent is invalid (1) because it was anticipated in the prior art, (2) because it is indefinite, (3) because defendant elected Stelzer as the first inventor, (4) because of lack of invention and (5) because the claims were presented to the Patent Office with deceptive intent.

Defendant claims that the "invention" was that of Ashton who was the "first to conceive of embodying a toggle into a poul ry tag thereby producing a seal which not only met long standing needs but which was substantially cheaper to produce."; or that "the invention was the embodiment in the seal of a toggle which, when operated, clamps the material into the seal."

The evidence would indicate that the old type poultry seals, prior to Ashton, were made of a piece of metal which was bent over and had a point which extended inward when the seal was pinched together, which point went through the skin of the fowl and then frequently into or through an aperture where it was bent over and thereby locked. What Ashton did was to include the mechanical elements which comprise a toggle. Webster's New Collegiate Dictionary defines a "toggle joint" as

> "A device consisting of two bars jointed together end to end but not in line, so that when a force is applied to the knee tending to straighten the arrangement, the parts abutting or jointed to the ends of the bars will experience an endwise pressure."

Thus, instead of a tag where one portion is bent over on part of another with a point transfixed to the substance which is tagged, the Ashton patent as the upper part of the tag has a piece which is bent at the middle (thereby forming a knee) so that when pressure is applied to this knee joint it pushes the end out so as to engage with the

rim or an indentation of the lower part and this engages with the substance to be tagged. It is claimed that pressure on the knee forces the end out and creates the toggle action.

It was the addition of the toggle action which resulted in the patent being allowed by the Patent Office as an advance over the previous art, as appears from a letter of the Patent Examiner, dated July 28, 1952, in Plaintiff's Exhibit 4.*

This might seem like a small difference in the construction of the tag, but the evidence is sufficient to convince the Court that never before the Ashton invention had the toggle principle been used in poultry tags or similar tags. The prior art mentioned in the action will be discussed later in this opinion.

If we assume that the change made by Ashton displayed originality, the next question to consider is whether it displayed invention in the sense of meeting a need in the industry in which it was to be applied. Prior to the Ashton patent numerous patents had been taken out on various types of metal seals. Plaintiff company itself had taken out several hundred patents.

The officers and employees of both plaintiff and defendant had admittedly been working for many years prior to 1952 to produce an improved seal for use on poultry. They were seeking a seal, inexpensive to produce, which could be applied to the chicken by the use of one hand and which could be removed easily by a housewife. Substantially all the seals used up to that time had been clip type seals which had two sides bent together to hold between them the object which was to be sealed. The Ashton patent was not merely a clip since it embodied mechanical ele-

*"Claim 17 even if amended as proposed would not recite the toggle-like action on which the allowance of the claims in the case was predicated and which was thoroughly discussed with applicant's attorney, at a recent interview."

ments which comprised a toggle, which presupposes a knee joint comprising two struts so connected that they may be brought into a straight line when force is applied at the joint, thus producing great cubyise pressure which clamps the skin or breast of the chicken against the edge of the clip. Thus, instead of the tag piercing the skin of the fowl it pinches it against the rim of the cup shaped portion. The application of this seal to the fowl is described in column 2, lines 24-45, of the Ashton patent."

The Court finds that the Ashton seal had certain advantages for which the industry had been looking and had not found in earlier seals where the pin turned inwardly and where there was no toggle action. Since the introduction of this Ashton seal the sales of the new type have increased tremendously. The testimony of Mr. Stoffel, although an interested party, is nevertheless clear and convincing. He pointed out that the industry had been searching for a seal which could be attached rapidly and easily and which could be manufactured at a low cost; and that up to the time of the Ashton seal all seal manufacturers apparently thought that it was necessary to have a prong which would pierce the skin and be received in a lock on the opposite side of the skin. He also pointed out that the Ashton seal, which employed a toggle pinching

"In order to secure one of the tags to the breast of a fowl it is merely necessary to bring the tag into contact with the skin as shown in Figs. 2 and to squeeze the tag between the thumb and forefinger. The edge of the end wall 2 rests on the skin of the fowl and a small section of skin indicated at 18 is engaged by the point 16 and forced toward the aperture 7. As the pressure of the thumb and forefinger is continued the toggle shaped tongue 10 is gradually straightened as the angle between the parts, or sections 11 and 12 approaches 180°. Meanwhile the point 16 forces the fold of skin 18 into contact with the convex sides of the aperture 7 and the point 16 together with the skin is forced forwardly along the sides 8 and finally through the aperture 7. The thumb pressure at this stage forces the locking tongue 10 to snap into the reverse angular position shown in Figure 5. In that position the tag is locked to the skin of the fowl carcass and may not be removed without damage to or destruction of the tag."

action rather than a piercing action, could be easily attached to any part of the fowl, and this by the use of one hand, thus saving labor and time;* and that in the toggle seal the area of the toggle back is less than that of the front of the seal, thus reducing the cost of material and reducing the weight and resulting in savings in freight charges, packing charges and dies.

The evidence was that since the introduction of seals embodying a toggle action there has been widespread commercial acceptance of such seals by the leading poultry processors in the country. There was testimony, which is undisputed, that toggle seals constitute approximately 95% of all the seals which are being used today. This commercial acceptance in a period of a few years is some indication that there was invention displayed by Ashton in the seal developed by him.

The Court concludes that the Ashton patent displayed invention and that it was not indefinite.

Plaintiff has referred to certain patents, not cited by the Patent Office, which it contends anticipated the Ashton invention. A number of patents were introduced at the trial as indicating anticipation, but those principally relied upon by plaintiff, as indicated in its post trial brief, are:

Buck & Barnes Patent No. 492,085

Bicknell Patent No. 1,163,127

Thompson Patent No. 1,506,956.

Each of these patents is for a clip or seal, but none of them embodies the principle of a toggle resulting from a bendable knee and the endwise pressure resulting therefrom. This is equally true of the other patents cited by plaintiff at the trial. Not one of them used a toggle action in the sense used in the seal described by Ashton, since none of

* The testimony was that a competent operator could tag 3000 chickens per hour with this type of seal.

them had a bendable knee to develop the extra endwise pressure which is characteristic of the toggle action.

The Court concludes that the Ashton patent was not anticipated by the prior art.

Plaintiff makes the further contention that the Ashton Patent No. 2,611,198 is invalid and void because defendant made an election of Stelzer over Ashton, and since the two patents cover, allegedly, the same invention, the non-elected patent cannot be valid. Plaintiff, in effect, is contending that if there was an invention that Ashton was the inventor, but that when defendant elected Stelzer the Stelzer patent was invalid because he was not the first inventor, and that the Ashton patent was void because the Stelzer patent was elected by the common owner as the prior invention. Plaintiff further contends that the issuance of the two patents, covering similar subject matter, constitutes double patenting which would invalidate the Ashton patent.

From the facts it appears that Stelzer, working as an employee of Stoffel, had been working on the development of seal patents for a number of years. Defendant's president, Stoffel, first saw the Ashton seal in November 1948 at the Royal Winter Fair in Toronto, Canada, and recognized this seal as a superior toggle type seal which he had not seen before. Returning to the United States he directed his engineers to produce a seal of this type, and an application for a patent was subsequently filed by Stelzer. The Ashton patent application was filed January 31, 1949 and the Stelzer patent application was filed March 4, 1949. Defendant Stoffel Seals Corporation was the employer of applicant Stelzer and the assignee of his rights in his patent application. In 1951 defendant purchased the rights in the Ashton patent application from its Canadian owner, Ketchum Manufacturing Company, in order to protect itself against conflicting claims. On June 30, 1952, defendant by its patent attorney for the Stelzer application wrote to the Patent Commissioner adding two claims to the Stelzer application which used the word "toggle" and which had

been present in the prior Ashton application. The attorney stated:

> "Added claims 38 and 39 have been copied from U. S. Patent Application Ser. No. 73,837 Asurrox in which they were allowed as claims 18 and 19. It is to be noted that this Asurrox case, as well as the further Asurrox application Ser. No. 157,233 and the present application are owned by the same assignee who believes that the priority should be awarded to the present application. Since all these applications are intended to be issued on one and the same day, Examiner is respectfully solicited to act on these cases simultaneously so that final disposal of these cases may be had at an early date."

However, claims 6 through 9 of the Ashton patent, which are comprehensive statements of the toggle claims, were not removed from the Ashton application nor added to the Stelzer application. It is to be noted that in Canada the Stoffel Seals Corporation relinquished its claims in a Canadian application of Stelzer in favor of the Ashton Canadian application owned by Ketchum Manufacturing Company.

Defendant says that it did not know, under the patent laws of the United States, (35 U. S. C. § 102; 35 U. S. C. § 104) whether or not the Stelzer or the Ashton applications were entitled to legal priority of invention in the United States. Defendant says that not until the Downing deposition was taken in the Fall of 1956 did it know that the Ashton patent was introduced into the United States in November 1948, a date earlier than Stelzer's invention date. Defendant says this was the first that it knew that the Ashton application was indeed prior in invention to Stelzer. Defendant says that it had no prior knowledge of these facts, although its attorney had sought to learn such facts. Promptly after it learned the facts and after the issuance of the Stelzer patent, defendant entered a formal disclaimer in the Patent Office of claims 3, 7, 10, 11, 12, 13, 24 and 25 of the Stelzer patent, which appeared to them to be in possible conflict with the claims

of the Ashton patent. Claims 24 and 25 are the two claims which were originally removed from Ashton. Defendant felt the remaining claims in the Stelzer patent not to be of the same scope as those of the Ashton patent and defendant's president testified at the trial that it is his present view that Stelzer invented improvements over the Ashton construction and that the remaining claims cover such improvements.

Defendant contends that its statement to the Patent Commissioner, saying that it believed that priority should be awarded to the Stelzer application was not in fact an election of the Stelzer patent application over the Ashton application. Defendant points out that in good faith it believed that Stelzer was in a legal sense the first inventor in the United States and further, to hold its statement to be an election would be inconsistent with its relinquishing its claims in the Stelzer Canadian application in favor of the Ashton Canadian application and its later disclaimer of claims in Stelzer. Defendant points out that as soon as it realized that Stelzer was not the first inventor, it, in good faith, removed claims from the Stelzer patent by entering a disclaimer of said claims. Defendant further contends that as to claims 6, 7, 8 and 9, the claims in suit, these claims were left in the Ashton patent and that Stelzer was never elected as the first inventor of the subject matter of those particular claims, but that this constituted an election of Ashton as the first inventor of that subject matter.

The Court finds that defendant's application for priority in its letter of June 1952 does not in fact constitute an election by defendant assignee of the Stelzer patent over the Ashton patent. It may be very difficult for an assignee of two similar patents to determine priority of invention; or to determine if there is only one inventor of an idea and that the invention was neither known or introduced earlier into the United States. See 35 U. S. C. § 102. In this Circuit the consequences of a mistaken election may be very severe. Cf. *United Chromium Inc.* v. *General Mo-*

tors Corp., 85 F. 2d 577 (2d Cir. 1936), *cert. denied*, 300 U. S. 674; Ampuc, *Patent Office Rules and Practice*, § 201(b) p. 597 (1955); with *Bestwall Mfg. Co. v. United States Gypsum Co.*, 290 F. 798 (7th Cir. 1923), *cert. denied*, 263 U. S. 713; *Colgate-Palmolive-Peet Co. v. Lever Bros. Co.*, 90 F. 2d 178, 189 (7th Cir. 1937), *cert. denied*, 302 U. S. 729. Resultantly, the election of one patent over another by an assignee or an inventor must be clear. Cases dealing with election of patents have been primarily concerned with the situation where an applicant or assignee elects to have one patent issued to him first, and then later seeks to have another patent issued on similar or related claims. The election of the first patent is held to preclude the issuance of a second patent. See, *e.g.*, *Application of Ward*, 236 F. 2d 428 (C. C. P. A. 1956); *In re Willoughby*, 88 F. 2d 482 (C. C. P. A. 1937); *In re Dunbar*, 278 F. 334 (D. C. Cir. 1922); *Ex Parte Kalinske*, 105 U. S. P. Q. 501 (1954). This accepting of a first patent by a common assignee or inventor has been held to be equal in legal effect to a concession of priority of invention of the first patent, and this may be so even though the claims of the first patent are actually invalid. *In re Mann*, 47 F. 2d 370 (C. C. P. A. 1931); *In re Fischel*, 136 F. 2d 254 (C. C. P. A. 1943). The major concern of the courts in all of these cases appears to have been avoidance of an extension of the time period of the patent monopoly, which is involved in double patenting. But cf. *In re Fischel*, *supra*, where the court pointed out the value of election as also a means of avoiding determination of priority of invention and of avoiding the issuance of two patents for one invention. See also *Application of Siu*, 222 F. 2d 267 (C. C. P. A. 1955).

In this case there would appear to be no issue of extension of the patent monopoly, or double patenting, since both patents were issued to the common assignee on the same day. See Ampuc, *Patent Office Rules and Practice*, 790(f) (1955); 69 C. J. S. Patents, § 38; *Deister Concentra-*

tor v. *Deister Machine*, 263 F. 706 (7th Cir. 1920); *Shimadzu* v. *Elec. Storage Battery Co.*, 17 F. Supp. 42 (E. D. Pa. 1936); rev'd on other grounds, 307 U. S. 5. (See also *In re Willoughby, supra; Federated Tel. & Radio Corp.* v. *Associated Tel. & Tel.*, 99 F. Supp. 535 (D. Del. 1951); AMDUR, *supra*, § 79(b). It is, of course, clear that although an inventor or common assignee properly should receive only one patent on one inventive thought, improvements on the original idea may in themselves be patentable. *Application of Stanley*, 214 F. 2d 151 (C. C. P. A. 1954). Further, where two patents are issued to one inventor on the same day, on similar matter, and therefore no issue of extension of patent monopoly exists, it appears that the patentee may elect the patent on which he will rest his monopoly. *Elec. Accumulator Co.* v. *Brush Elec. Co.*, 52 F. 130 (2d Cir. 1892); *H. W. Johns Mfg. Co.* v. *Robertson*, 89 F. 504 (S. D. N. Y. 1898).

Resultantly, the real question in this case is whether the assignee's letter to the Patent Commissioner, in which he expressed his opinion as to the priority of the Stelzer application, constitutes an election of the Stelzer patent over the Ashton patent, in conformity with the meaning of the above cases dealing with election. The Court does not find that to have been the case. The patentee did not withdraw his application for the Ashton patent, nor did he accept the issuance of the Stelzer patent on a prior date, either of which activities would have constituted an election of the Stelzer patent. It further appears that defendant left the determination of priority or of conflict of claims up to the Patent Commissioner, who saw fit to issue both patents. It would have been proper for the Commissioner to ask for correction of claims if he thought that there were conflicting claims or a question of priority of invention (35 U. S. C. § 135); *Ex Parte Hodnette*, 71 U. S. P. Q. 38 (1946); *In re Dunbar, supra;* but this the Commisioner did not choose to do. The very issuance of two patents on the same day suggests that one patent was not elected as against the other.

If there had been an interference proceeding held between these two patent applications, the patent rules provide that an election must be made in writing and be signed, and further provide that a concession of priority cannot be made by the assignee on behalf of the inventor. 37 C. F. R. § 1.262. However, under the patent rules, interference proceedings are not normally to be brought where the two patent applications are held by a common assignee. 37 C. F. R. § 1.201(c).

In light of the difficulty of determining priority of invention and of the fact that an election of a patent can void a subsequently issued patent, the Court cannot find that assignee's vague expression of opinion under the circumstances here constituted such an irrevocable and binding election. Particularly is this true in this case where there is no extention of the patent monopoly and the title to the two disputed patents is conceded to be in the assignee.

Has the Ashton Patent Been Infringed by the Plaintiff?

Mr. Brooks, president of the plaintiff, knew of the Ashton seal in July 1951 when a Mr. Snow of his company saw it in Canada. A copy of the Ashton seal was procured and Mr. Brooks obtained it. Mr. Brooks gave this seal to Mr. Moberg, the plant manager of his company, and apparently suggested that a seal of this type be made by him. Moberg sought to get a die-maker to make such a seal for him, but since the die-maker was a man who did work for the Stoffel Company he refused to take on an assignment from the Brooks Company. However, thereafter, the plaintiff company produced a seal which had the toggle characteristics of the Ashton seal and such seal has been sold by this company since that time. The exhibits offered in evidence showed that seals produced and sold by the plaintiff company were an infringement of the invention described in the Ashton patent. Certain advertisements by the plaintiff company showed seals which

had the characteristics of the Ashton patent and were conclusive proof of infringement by the plaintiff company.

The plaintiff company sought to establish the absence of infringement by making certain "improvements" over the Ashton seal. The Brooks Company and Mr. Moberg took the position that the Ashton patent covered a seal only where the toggle seal underwent "reverse angularity," i.e., where the knee when bent reached a position where the back of the seal was not merely flat but where the joint of the knee went beyond 180°. The plaintiff company contended that this reverse angularity was an essential part of the Ashton invention. They point to lines 31-43 of column 2 in the Ashton patent, which read in part as follows:

> ". . . As the pressure of the thumb and forefinger is continued the toggle-shaped tongue 10 is gradually straightened as the angle between the parts or sections 11 and 12 approaches 180°. . . . Continued pressure at this stage forces the locking tongue 10 to snap into the reverse angular position shown in Figure 5. In that position the tag is 'locked' to the skin of the fowl carcass and may not be removed without damage to or destruction of the tag."

However, Claim 6 of the Ashton patent does not require reverse angularity. Claims 1 and 2 do, at the end, refer to reverse angularity. However, it is apparent to anybody that the question as to whether the toggle knee joint straightens to a position of 180° or goes beyond that point is a question of the amount of pressure applied to the knee joint, and also a question of the size of the skin or other part of the fowl carcass which is engaged by the tongue. With substantial pressure applied the knee joint might undergo reverse angularity; with slight pressure, or with a larger amount of skin engaged by the tongue, it would not undergo reverse angularity. The possibility of reverse angularity and the locking occasioned thereby is, of course, present, but it is not an essential part of the invention because it is not part of the structure but rather

a question of the amount of pressure applied to the structure.

The plaintiff company apparently thought it would be desirable to have a seal which would be prevented from undergoing reverse angularity so that it would be easier for the housewife to slip a knife under the seal to open it. Therefore, Mr. Moberg in designing his seal employed a "bead" or a "dimple" to prevent the tongue from going so far as to result in reverse angularity and also made the opening into which the tongue would go smaller, so as to prevent reverse angularity. The plaintiff company contended that this seal was not an infringement of the Ashton seal because of the absence of reverse angularity, but as their attorney frankly stated, with reference to this additional feature of their seal:

> ". . . we were simply being cautious in trying to be a little more sure of ourselves when we adopted the dimple." (R. p. 524)

The attorney, however, admitted that

> ". . . if the first seal without the dimple were an infringement that the second one would also be an infringement." (R. p. 524)

Mr. Moberg applied for a patent on his seal which was granted on August 17, 1954, said patent having first been assigned to the plaintiff company. This is one of the patents in suit.

It appears very clear from the testimony and the exhibits that the seal designed by Moberg and used by the plaintiff company embodied the inventive toggle action of the Ashton seal. The mere addition of another feature to it—if such additional feature was adopted—would not prevent the seal from being an infringement of the Ashton patent with which the plaintiff company was well acquainted.

The Court concludes that the plaintiff company has infringed the Ashton patent and is now infringing the Ashton patent by the seals manufactured and sold by it.

VALIDITY OF THE MOBERG PATENT

The Moberg patent covers a structure substantially the same as the Ashton structure. Moberg was acquainted with the Ashton seal and the Ashton patent before he designed his seal. Mr. Moberg was asked the following question by the Court and gave the following answer:

> "Q. Mr. Moberg, you have been in this business a long time. What did you actually invent? What did you get this patent for? What was your invention?
>
> A. My invention was the bent-up tip and the—reversely bent tip on the member and, as well as the—my—I would say the dome, or the slit dome, where the bent-up tip comes into, is my invention." (R. p. 554)

Moberg, in his original patent application, did not refer specifically to any co-action between the tip and the bent-up aperture. This was inserted by him by an amendment of January 1954. In the application for this amendment, Moberg's attorney stated that "the claimed improvements [over Ashton, Stelzer and the prior art] may be considered by the Examiner as only a slight step forward in the art." He urged, however, that the patentee "should be granted the limited protection which he now claims so that he will have protection on his *improvement*." (Emphasis supplied.)

Mr. Moberg admitted that nowhere in his patent did he define the bent-up tip or the dome slit as his invention. He was asked the following questions and gave the following answers:

> "Q. How did you decide that you wanted that tip to go up instead of going down? What made you decide that?

A. Well, in designing anything, you try it on the —whatever article you are designing it for and you observe.

Q. And it worked better if you had the tip go up?

A. Yes, definitely. It would dig in otherwise.

Q. So you just turned it up?

A. Yes, sir.

Q. Any mechanic could do that, if he wanted?

A. Certainly." (R. p. 557)

The essential trouble with the Moberg patent is that his claim is not limited to the "improvement" which he states is his invention. His claim is so broad that it would comprehend many elements of seals which do not have what the inventor now claims is an "improvement."*

* The claim in the Moberg patent is described as follows:

"A tag of sheet material comprising a first main-section having a struck-up portion which defines a slit-opening toward one side edge of said first section and has an inner surface in acute angular relationship to an adjacent surface of said first section, a second main-section connected in angular relationship to said first main-section at an opposite side edge of the latter and bendable at such connection to a smaller angle relatively to said first section in closing the tag, a piercing-member connected to said second section remote from said first-mentioned connection and extending angularly from said second section in an initial relationship thereto, within the angle formed by the two main-sections and bendable at the last-mentioned connection to a greater angle relatively to said second section in closing the tag; the piercing-member having a reversely bent tip, the distance from the tip extremity of the piercing-member to the said first-mentioned connection prior to closing of the tag being less than the distance between said first-mentioned connection and said slit-opening whereby to permit said reversely bent tip, upon bending of the two main-sections at said first-mentioned connection to a smaller intervening angle, to pass the edge of said struck-up portion and enter said slit-opening, and said inner surface of said struck-up portion and said adjacent surface of said first main-section coacting with opposite faces of the reversely bent tip of said piercing-member to oppose angular movement of said piercing-member about its connection to said second section and thereby oppose complete flattening of the angle between the second main-section and the piercing-member when the two main-sections are bent toward each other in applying the device to merchandise and to preserve, between said two main-sections, a space for receiving a prying instrument for opening the tag."

Section 112 of the Patent Code, 35 U. S. C., provides in part:

> "The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention."

The Moberg patent failed to comply with this provision of the Patent Code. It did not distinctly claim the "improvement" as the invention. The principle is well established that if a patent for a combination claims more than the applicant invented, the patent is void. See *Evans* v. *Eaton*, 20 U. S. (7 Wheat.) 356 (1822); *Lincoln Engineering Co.* v. *Stewart-Warner Corp.*, 303 U. S. 545 (1938); *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U. S. 147, 150 (1950). In *United Carbon Co.* v. *Binney Co.*, 317 U. S. 228, 236 (1942), the Court said:

> "The statutory requirement of particularity and distinctness in claims is met only when they clearly distinguish what is claimed from what went before in the art and clearly circumscribe what is foreclosed from future enterprise. A zone of uncertainty which enterprise and experimentation may enter only at the risk of infringement claims would discourage invention only a little less than unequivocal foreclosure of the field. Moreover, the claims must be reasonably clear-cut to enable courts to determine whether novelty and invention are genuine."

The invention here is not claimed to be a combination but rather the addition of a single element to what was previously known in the art. In such a case, where the invention embraces only one or more parts, "the part or parts claimed must be specified and pointed out, so that constructors, other inventors, and the public may know what the invention is and what is withdrawn from general use." *Parks* v. *Booth*, 102 U. S. 96, 102 (1880).

In the present case Moberg did not in his patent claim as his invention that new part which he now admits is the

only invention made by him. He did not comply with ' 112 of the Patent Code. He, in effect, described a structure which had already been patented, with one slight change or improvement in it, and then secured a patent not limited to the improvement but covering the entire structure. Properly his claim should have been limited to the "improvement." Having secured a patent which covers more than the invention, the entire patent is void.

The Court concludes that the Moberg patent is invalid.

VALIDITY OF THE STELZER PATENT

As has heretofore been stated, the Stelzer seal was made by Stelzer after he saw the Ashton seal. He applied for a patent on March 4, 1949. The patent was issued to him on September 23, 1952, after he had assigned the application to the defendant. This patent was issued on the same day as the Ashton patent, which was also assigned to the defendant. Thereafter on November 19, 1956, the assignee filed a disclaimer of claims 3, 7, 10, 11, 12, 13, 24 and 25 of the Stelzer patent.

The defendant has taken the position that there is no controversy between the parties as to the Stelzer patent, in that the defendant does not claim that the plaintiff has infringed this patent. However, the proof shows that letters were sent to certain prospective customers of the plaintiff in which the defendant advised these customers that defendant's patent counsel were of the opinion that the seals made by the plaintiff company infringed certain patents held by the defendant, and gave the numbers of those patents, which included both the Ashton and Stelzer patents.

The Court finds as a fact that as early as 1952 the defendant charged the plaintiff, either directly or by letter to customers, with infringing the Stelzer patent. At the trial counsel for the defendant indicated that they did not find that the Stelzer patent was infringed by anything done

by the plaintiff company. However, having made implied threats to the plaintiff and plaintiff's customers, which resulted in the institution of this action, defendant cannot now, by retracting earlier statements, keep the plaintiff from having a declaration as to the validity or invalidity of the Stelzer patent.

When a patentee notifies the trade that a competitor is infringing his patents, this entitles the competitor to bring an action under the Declaratory Judgment Act, 28 U. S. C. § 2201, to determine the validity of the patents and whether or not he is actually infringing them. *Leach v. Ross Heater & Mfg. Co.*, 104 F. 2d 88 (2d Cir. 1939); *Mitchell & Weber Inc. v. Williamsbridge Mills, Inc.*, 14 F. Supp. 954 (S. D. N. Y. 1936); 6 *Moore, Federal Practice*, Par. 57.20 (2d Ed. 1948). Defendant cannot create a situation of actual controversy which gives the Court jurisdiction under the Declaratory Judgment Act and then, after the commencement of suit, come into Court and seek to avoid the jurisdiction of the Court by belated concessions that there was no infringement.* See, *e.g.*,

* This is particularly true here where defendant sought to limit its admission that there was no infringement of the patent. Defendant first stated:

> "We don't find that the Stelzer patent is infringed by anything that Brooks is making or has presented here." (R. p. 52).

but later sought to modify this position by saying that:

> "We don't claim any infringement [of the Stelzer patent] and, if there should happen to be any, we waive it. . . We do not admit that its terms are not infringed. We simply say we don't make any claim of it, and, if it is infringed we waive it. So we rest our case entirely on the Ashton patent." (R. pp. 121, 122).

The fact that defendant chooses not to counterclaim for infringement of its Stelzer patent does not avoid the jurisdiction of the Court over plaintiff's claim under the Declaratory Judgment Act if there is actual controversy. This is not like the situation in *Carr v. Schwartz*, 133 F. 2d 541 (2d Cir. 1942), *cert. denied*, 319 U. S. 748, where plaintiff had brought a suit for infringement of

Kobre v. Plioforal Corp., 100 F. Supp. 56 (S. D. N. Y. 1951). See also concurring opinion of Chief Judge Clark in *McCurrach v. Chuney Bros.*, 152 F. 2d 365, 367 (2d Cir. 1945). Since there was such controversy here, plaintiff is entitled to have the Stelzer patent considered by the Court. The Court will also follow the better practice suggested by the Supreme Court and consider the issue of the validity of the patent.*

This, therefore, raises the issue as to whether the remaining claims of Stelzer which have not been waived—i.e., claims 1, 2, 4, 5, 6, 8, 9, 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23—constitute invention and a valid patent. Essentially these claims describe a structure similar to that of the Ashton structure. Defendant's counsel urge in their brief that these remaining claims include the following features not found in the Ashton patent:

Claims 1, 2, 4, 5, 8, 9, 15, 16, 17, 18, 19 and 20 recite "weakening means" at the bendable knee and or at the base of the locking tongue.

Claims 6 and 21 recite a "curled over rim."

Claim 14 recites "means to prevent salvage of said tag for re-use," (but it does not describe such "means.")

Claim 21 recites "shoulders on the tongue" and a "curled-over" part to form a "partly closed rim."

---

three patents and abandoned his contention that the defendant had infringed the third patent. In such case, the Appellate Court properly held that no controversy existed as to the third patent, and there were no grounds for considering the validity of plaintiff's patent as he requested it to do.

* See *Sinclair & Carroll Co. v. Interchemical Corp.*, 325 U. S. 327, 330 (1945); *Dow Chemical Co. v. Skinner*, 197 F. 2d 867 (6th Cir. 1952), *cert. denied*, 344 U. S. 856.

A decision as to invalidity, if the patent is invalid, tends to discourage suits and threats of patent suits against defendant and others, based upon the patent, which may prevent the lawful competition which is in the public interest. See *Corex v. Schwartz*, 133 F. 2d 541, at 545 (2d Cir. 1942), *cert. denied*, 319 U. S. 748.

Claim 22 recites "knockouts in the front face of said body portion to facilitate insertion of an instrument to push said tongue into an unlocked position and to render said tag unusable."

Claim 23, it is said, recites a "prong" extending from the body portion.

It may be pointed out that not one of the features on which defendant now relies was specifically claimed as the invention by Stelzer. They are features which are included in the general claims relating to a general structure which is referred to in the specifications as a "tag . . . for easy attachment to the breast of a chicken or turkey by pinching a loose and thin skin portion thereof without piercing or damaging it, only one hand of the operator being employed to achieve such attaching operation." The specifications also state: "Before explaining the present invention in detail, it is to be understood that the invention is not limited in its application to the details of construction and arrangement of elements illustrated in the accompanying drawings, since the invention is capable of other embodiments and of being practiced or carried out in various ways."

It must be kept in mind that the Stelzer patent was applied for after Stelzer was acquainted with the Ashton seal; that the Stelzer patent, in various claims, covered the same structure described in the Ashton patent, with the result that after the Stelzer patent was issued the common assignee of both the Stelzer and Ashton patents disclaimed certain claims in the Stelzer patent. There was no evidence submitted to the Court sufficient to convince it that the isolated references in the remaining claims, which are now relied on by the defendant, constitute invention. Certainly nowhere in the claims are these isolated features described as the invention.

This poses the problem of whether an applicant for a patent may describe a structure known to the art, add a

few minor refinements to it, get a patent on the entire structure, and then disclaim a patent on the structure itself but continue to claim a patent on the minor refinements, although at no time has the applicant distinctly claimed the refinements as his invention. Nobody reading such a patent would know what it did or did not cover. The remaining claims in the Stelzer patent are not claims as to the refinements themselves. The patent does not describe these refinements as the invention. Additionally, many of the refinements seem to be obvious refinements which could have been the product of the work of any mechanic skilled in the art, such as adding "weakening means" at certain points, or using a "curled over rim." If any of these features which continue in the remaining claims are an invention they should have been specifically described as such. Since the patent does not claim these features as the invention, the patent is worthless. See *Evans* v. *Eaton*, 7 Wheat. 356, 20 U. S. 356 (1822).

The Court concludes that the Stelzer patent is invalid.

Conclusions

The Court makes the following findings of fact and conclusions of law:

1. Ashton Patent No. 2,611,198 is owned by the defendant and is a valid patent.

2. The plaintiff has infringed and is infringing claims 6, 7, 8 and 9 of the Ashton patent and threatens to continue to do so, and defendant has no adequate remedy at law with reference thereto.

3. Moberg Patent No. 2,686,379 is owned by the plaintiff but is invalid.

4. Stelzer Patent No. 2,611,199 is owned by the defendant but is invalid.

5. Defendant is entitled to a decree declaring the Ashton patent to be valid and to have been infringed by the

plaintiff, and granting the injunction thereon sought by the defendant, and directing that the action be referred to a master for a determination of damages, and providing for the payment of taxable costs to the defendant. The issue as to whether the defendant is entitled to treble damages pursuant to § 284 of Title 35, U. S. Code, shall be considered by the master in connection with his determination of damages, but his findings thereon shall be subject to the review and final determination of this Court.

Submit proposed form of decree on five days' notice.

This opinion shall constitute the findings of fact and conclusions of law of the Court.

Dated: New York, N. Y.
March 31, 1958.

ARCHIE O. DAWSON
U. S. D. J.

APPENDIX C

Patent Act of 1952, § 1, 66 Stat. 813, 35 U.S.C. §§ 1-293

§ 102. Conditions for patentability: novelty and loss of right to patent

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the ap-

plication for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

§ 103. Conditions for patentability; non-obvious subject matter

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made. July 19, 1952, c. 950, § 1, 66 Stat. 798.

* * *

§ 282. Presumption of validity; defenses

A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it. * * *

Rule 52 (a), Federal Rules of Civil Procedure

Rule 52. Findings by the Court

(a) Effect. In all actions tried upon the facts without a jury or with an advisory jury, the court shall find the facts specially and state separately its conclusions of law thereon and direct the entry of the appropriate judgment; and in granting or refusing interlocutory injunctions the court shall similarly set forth the findings of fact and conclusions of law which constitute the grounds of its action. Requests for findings are not necessary for purposes of review. Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses. The findings of a master, to the extent that the court adopts them, shall be considered as the findings of the court. If an opinion or memorandum of decision is filed, it will be sufficient if the findings of fact and conclusions of law appear therein. Findings of fact and conclusions of law are unnecessary on decisions of motions under Rule 12 or 56 or any other motion except as provided in Rule 41(b).

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SEP 28 1959
JAMES R. BROWNING, Clerk

IN THE

Supreme Court of the United States

OCTOBER TERM, 1959

No. 361

STOFFEL SEALS CORPORATION,
Petitioner,

v.

E. J. BROOKS COMPANY,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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September 28, 1959

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IN THE

Supreme Court of the United States

October Term, 1959

STOFFEL SEALS CORPORATION, *Petitioner,* v. E. J. BROOKS COMPANY, *Respondent.*	No. 361

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

There is nothing about this ordinary patent case which warrants a review by this Court on the merits.

The decision of the Court of Appeals for the Second Circuit, holding petitioner's poultry tag patent invalid, is manifestly correct. There is no conflict between decisions of Courts of Appeals on the same matter. No question of public importance is involved. There has been no departure from the accepted and usual course of judicial proceedings. In short, there is no special or important reason why the writ prayed for should be granted.

Opinions Below

The opinion of the Court of Appeals for the Second Circuit (App.* A) is reported at 266 F. 2d 841. The opinion of the District Court for the Southern District of New

*Appendix to petition.

York (App. B) is reported at 160 F. Supp. 581. The District Court did not file separate findings of fact and conclusions of law, the opinion ending with the statement that: "This opinion shall constitute the findings of fact and conclusions of law of this Court" (App. B, p. 39a).

Jurisdiction

The jurisdictional requisites are set forth in the petition.

Questions Presented

The issues raised by petitioner's "Questions Presented" are synthetic issues, wholly absent from this case.

Petitioner's first question is based on the fallacious assumption that the majority below, in holding petitioner's patent invalid, applied "stringent rules as to invention" (Pet., p. 2). As clearly demonstrated in the majority opinion of Chief Judge Clark and Judge Hincks, the Court of Appeals ruled unequivocally that the Ashton patent in suit was invalid, regardless of the stringency or liberality of the rule as to invention applied to it. In fact, the majority below expressly stated (App. A, p. 5a) that *Lyon* v. *Bausch & Lomb Optical Co.*, 224 F. 2d 530 (2 Cir. 1955), cert. den. 350 U. S. 911 (1955), so heavily relied on by petitioner, "does not support" a holding of validity of a patent covering "so ordinary a device." Additionally, the majority held (App. A, p. 5a) that the "obviousness" test of *Hotchkiss* v. *Greenwood*, 52 U. S. 248 (1850), also heavily relied on by petitioner, "cannot be held satisfied by the convenient flexing of the metal tongue" of the Ashton patent. The majority below correctly applied the very same decisions on which petitioner now relies.

Petitioner's second question overlooks the fact that appellate courts, including this Court, have not hesitated to reverse holdings of patent validity, when such holdings

are wrong. Apposite here are the comments of this Court in *United States* v. *Gypsum Co.*, 333 U. S. 364, 395 (1948) that a finding of a trial judge "is 'clearly erroneous' when although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed." The majority opinion below makes it clear that Judges Clark and Hincks were firmly convinced that a mistake had in fact been committed by the District Court.

The only question presented here is whether or not petitioner, defeated in the court below, is entitled to another hearing on the merits with respect to the validity of his patent. But, as stated in *Magnum Co.* v. *Coty*, 262 U. S. 159, 163 (1923):

> "... The jurisdiction [to bring up cases by certiorari] was not conferred upon this Court merely to give the defeated party in the Circuit Court of Appeals another hearing."

Statement of the Case

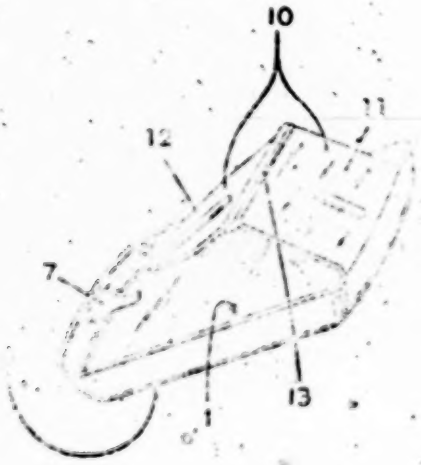
The history of the proceeding which has culminated in the present petition may be outlined as follows: respondent, a manufacturer of metal tags, filed suit for a declaratory judgment of invalidity and non-infringement of another of petitioner's poultry tag patents, viz. Stelzer patent 2,611,199, not here in question. Petitioner's Ashton patent 2,611,198, held invalid by the Court of Appeals, was brought into the litigation by a counterclaim filed by petitioner. In addition, the trial also involved one of respondent's poultry tag patents.

The District Court held invalid respondent's patent and petitioner's Stelzer patent, and held valid and infringed petitioner's Ashton patent. The appeal, limited to the questions of validity and unenforceability of petitioner's Ashton patent, resulted in the ruling of invalidity, now sought by

petitioner to be reviewed by this Court. The Court of Appeals, having held the Ashton patent invalid, did not pass on the "unclean hands" defense, urged by respondent as the basis for unenforceability.

The petition describes in only the briefest terms the poultry tag of the Ashton patent, characterized by the majority opinion below as "exceedingly simple both in construction and function" (App. A, p. 1a) and "in short, a simple and obvious gadget" (App. A, p. 4a).

The Ashton patent (PA* 124a) relates to small metal tags, attached to dressed poultry for the purpose of carrying identifying information such as grade symbols and trademarks. The construction of the tag, made of a single bent piece of thin sheet metal, is readily apparent from the perspective drawing below:



*Plaintiff-appellant's appendix in the court below, filed by petitioner here.

The Ashton tag consists of two elements: a rectangular, dished main portion 1, and a locking tongue 10, extending at an angle from one end of the main portion. The tongue is bent at 13 to form two diverging arms 11 and 12, in order to take advantage of the old and well-known toggle principle or toggle joint action. The identifying information appears on the flat surface 6 of the main portion 1, which becomes the top of the tag when it is applied to the chicken.

In applying the tag to a chicken, it is brought into contact with the chicken skin and then squeezed between the thumb and forefinger, causing a small area of skin to be gathered between the tip of the locking tongue and the main portion of the tag. Continued pressure at 13 from the squeezing action straightens or flattens out the tongue, moving its tip forwardly, and the gathered skin is caught between the tip of the tongue and the hole 7 in the main portion.

The District Court held the Ashton patent valid, relying heavily on petitioner's contentions regarding "long-felt want" and commercial success.

The Court of Appeals reversed, holding the patent invalid for lack of patentable invention. The majority pointed out that there was "no evidence of any specific and recognized problems which the claimed invention solved" (App. A, p. 2a); that the record was "ambiguous as to the several advantages" claimed for the patented device (App. A, p. 3a); that "the close physical similarity" of two prior art patents, neither of which was cited by the Patent Office during the prosecution of the application for the Ashton patent, "underscores its obviousness" (App. A, p. 3a), and concluded that "where invention is so plainly lacking commercial success cannot validate the patent" (App. A, p. 6a).

Petitioner's contentions as to long-felt want and commercial success were correctly rejected by the majority below as unsound and without support in the record, and do not merit further review by this Court.

Reasons for Denying the Writ

1. The holding of invalidity below is manifestly correct

The chicken tag defined in the claims of the Ashton patent consists of two elements, both old. These elements are (1) "a main portion having an aperture," and (2) "a locking tongue," forming a toggle.

Prior poultry tags and the prior patents of Bicknell and Buck and Barnes (PA 163a, 165a) demonstrate that both of these elements were well-known long before Ashton's alleged invention. Recognizing this, petitioner attempts here, as in the court below, to urge that the Ashton tag is a patentable invention because of its embodiment of a "toggle principle."

The toggle principle, admittedly old, has long been used in many applications. The majority opinion below places petitioner's contentions regarding the toggle principle in proper perspective (App. A, p. 4a):

> ". . . And the bent metal tongue which develops the tag's clamping pressure is a simple toggle not unlike toggles used to develop a controlled pressure in devices as diverse as stone crushers, wagon brakes, and shoe trees."

In these circumstances, the law is, and has long been, clearly established, as declared by the majority below (App. A, p. 4a):

> ". . . Such an adaptation of a device common to many dissimilar fields, achieving no unusual results and solving no problems of recognized difficulty, is clearly not invention."

Whatever advance Ashton may have made over the prior art was both obvious and slight. The Ashton tag is nothing more than the use of the Bicknell or Buck and Barnes tags on poultry or, at best, the addition of the old and well-known toggle joint to old and well known forms of chicken tags.

This Court long ago recognized that more is required for patentable invention, *Altoona Theatres* v. *Tri-Ergon Corp.*, 294 U. S. 477 (1935). The following quotation from *Dow Co.* v. *Halliburton Co.*, 324 U. S. 320, 328 (1945) is pertinent here:

> ". . . He who is merely the first to utilize the existing fund of public knowledge for new and obvious purposes must be satisfied with whatever fame, personal satisfaction or commercial success he may be able to achieve. Patent monopolies, with all their significant economic and social consequences, are not reserved for those who contribute so insubstantially to that fund of public knowledge."

Petitioner criticizes the majority opinion below because of its failure to refer to the statutory presumption of validity, based on the issuance of the Ashton patent. This presumption was discussed in the briefs and in the unsuccessful petition for rehearing below. But, as we have already noted, the Patent Office failed to cite either the Bicknell or the Buck and Barnes patent against the Ashton application. In these circumstances, the presumption of validity is vitiated.

2. No conflict of decisions is presented here

No other suit has been brought on the Ashton patent. Thus, there is no decision on the same matter in conflict with the decision of the Court of Appeals for the Second Circuit, here sought to be reviewed.

Notwithstanding this, petitioner, straining to bring itself within the conflict of decisions rule, devotes a substantial part of its brief to an endeavor to develop a difference among the Courts of Appeals with respect to the proper standard of invention and the effect of Section 103 of the Patent Act of 1952 on that standard.

Petitioner's brief falls short of presenting a square and irreconcilable conflict, and, at best, shows only verbal dif

ferences, inconsistency in dicta, or differences in application of general principles. This is not a sufficient basis for granting the writ, *Layne & Co. v. Western Well Works*, 261 U. S. 387, 392-3 (1923).

Moreover, as demonstrated by the opinion of the majority below,* the Ashton patent is invalid, no matter how stringent or liberal the standard of invention applied to it (App. A, pp. 4a-6a):

> "The device is, in short, a simple and obvious gadget of the type held unpatentable in Great Atlantic & Pac. Tea Co. v. Supermarket Equipment Corp. 340 U. S. 147, 71 S. Ct. 127, 95 L. Ed. 162, or Sayoy Leather Mfg. Corp. v. Standard Brief Case Co., 2 Cir. 261 F. 2d 136, or Surgitube Products Corp. v. Scholl Mfg. Co., 2 Cir., 262 F. 2d 824; and it is clearly more obvious than the widely used and highly successful Zoomar lens held not novel in Zoomar, Inc. v. Paillard Products, 2 Cir., 258 F. 2d 527, certiorari denied 358 U. S. 908, 79 S. Ct. 237, 3 L. Ed. 2d 230. *Indeed we know of no case in this circuit or in others which can be considered authority for sustaining so ordinary a device. Clearly* Lyon v. Bausch & Lomb Optical Co., 2 Cir., 224 F. 2d 530, 536, certiorari denied Bausch & Lomb Optical Co. v. Lyon, 350 U. S. 911, 76 S. Ct. 193, 100 L. ed. 799, *does not support it; that case in fact recognizes 'the continued authority'* of Hotchkiss v. Greenwood, 11 How. 248, 267, 52 U. S. 248, 267, 13 L. Ed. 683, *and its requirement that the improvement over the prior art must be more than would be obvious to a person having ordinary skill in the art. And that test is definitely and expressly carried over to the Patent Act of 1952, 35 U. S. C. § 103. It cannot be held satisfied by the convenient flexing of the metal tongue here.*" [Footnote omitted; emphasis added]

*Judge Hincks, one of the majority below, was one of the panel of judges who sustained as valid the patent in suit in *Lyon v. Bausch & Lomb*, *supra*, p. 2

The dissenting opinion also makes it clear that the majority applied the standard of invention enunciated in *Lyon v. Bausch & Lomb*, *supra*, p. 2, and advocated as the proper standard in the petition here. Judge Lumbard wrote in part (App. A, p. 10a):

> "I do not understand that Judge Clark's opinion would advance a standard of invention any different from that which we unanimously expressed in Lyon v. Bausch & Lomb Optical Co., *supra*, which was reaffirmed by us in Georgia-Pacific Corp. v. United States Plywood Co., *supra*; [citing other cases in the Second Circuit]."

Petitioner's question, based on an asserted conflict of decisions with respect to the proper standard of invention, is moot. This case, like *Glagovsky v. Boxcraft Trimming Co.*, 267 F. 2d 479 (1 Cir. 1959), referred to at pp. 15-16 of the petition, obviously is not "an appropriate vehicle" for interpreting § 103, since the patent "cannot be sustained even by applying the now statutory standard as liberally and as generously to the patentee as the wording of the statute permits" (267 F. 2d 481).

Petitioner's brief (Pet. pp. 17-20, 25) tries unsuccessfully to spell out a conflict between the majority and the dissent below with respect to the proper standard of invention. As we have shown, no such conflict exists. But even if it did, contrary decisions between different panels of the same Court of Appeals do not present a reviewable question, *Wisniewski v. United States*, 353 U. S. 901 (1957).

Petitioner's attempt to create a conflict on the question of whether patentable invention is a finding of fact is likewise unavailing. Whether it is a finding of fact, a conclusion of law, or a mixed question of law and fact, appellate courts, including this Court, have frequently reversed holdings of patentable invention. See, for example, *A. & P. Tea Co. v. Supermarket Corp.*, 340 U. S. 147

(1950), in which this Court held invalid for lack of patentable invention a patent which had been sustained as valid by the District Court and by the Court of Appeals.

Furthermore, the majority opinion below makes it apparent that the majority differed sharply with the District Court's analysis of the record with respect to such matters as long-felt want, advantages of the patented construction, and commercial success. In a case dealing with such simple devices, and in which the documentary prior art was so close to the patent in suit, the Court of Appeals was surely at liberty to disagree with the District Court on the issue of patentable invention.

3. No question of public importance is involved

This case is nothing more than a private controversy between business competitors regarding patent infringement. No companies or individuals other than the litigants are involved, and the Ashton poultry tag patent is plainly not a patent of unusual public importance. Applicable here is the rule stated in *Keller* v. *Adams-Campbell Co.*, 264 U. S. 314, 319 (1924):

> ". . . Such an ordinary patent case with the usual issues of invention, breadth of claims and non-infringement, this Court will not bring here by certiorari unless it be necessary to reconcile decisions of the Circuit Courts of Appeal on the same patent."

The record does not present any substantial question of federal law requiring resolution by this Court. The Ashton patent is plainly invalid under the "obviousness" test of the *Hotchkiss* and the *Lyon* cases, *supra* p. 2, which according to petitioner, set forth the proper criterion to be applied under § 103 of the Patent Act of 1952.

CONCLUSION

The petition should be denied.

Respectfully submitted,

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September 28, 1959

OCT 1 1959

JAMES R. BROWNING, Clerk

IN THE

Supreme Court of the United States

OCTOBER TERM, 1959

No. 361

STOLLER SEALS CORPORATION, *Petitioner*

v.

E. J. BROOKS COMPANY, *Respondent*

PETITIONER'S REPLY BRIEF

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IN THE

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OCTOBER TERM, 1959

No. 361

STOFFEL SEALS CORPORATION, *Petitioner*

v.

E. J. BROOKS COMPANY, *Respondent*.

PETITIONER'S REPLY BRIEF

---

1. Respondent contends that the decision below is "correct" but makes only the bare assertion that the conflict among the Circuits is "verbal."

The continuing and widespread nature of the very real conflict among Circuits, already amply set forth in the moving papers, is further pointed up by three current cases, in all of which certiorari is being sought.

In *Columbia Boiler Co.* v. *Manville Boiler Co.*, Supreme Court Dkt. No. 428, October Term 1959, filed September 24, 1959, the petitioner has taken a diametrically opposite view from ours as to the standard of invention applicable under the 1952 Patent Act. The

Fourth Circuit Court of Appeals in that case reversed the District Court and held the patent valid and infringed.[1] The petitioner argues to this Court that the Fourth Circuit failed to apply the standards announced in *Cuno* and *A. & P.*,[2] which are said to be still valid under the new Patent Act.

In *Tatko Bros. Slate Co.* v. *Hannon*, —— F. 2d ——, 122 U.S.P.Q. 585 (2d Cir. September 11, 1959), Chief Judge Clark and Judge Hincks have again reversed a District Court decision that a patent was valid and infringed. 157 F. Supp. 277. Relying upon such cases predating the Patent Act of 1952 as *A. & P.*, *Jungersen*[3] and *Bostitch*,[4] and holding the *Lyon* case[5] inapplicable, they have again emphasized the appearance of simplicity in the invention.[6] In the words of Judge

[1] *Manville Boiler Co.* v. *Columbia Boiler Co.*, —— F. 2d ——, 122 U.S.P.Q. 545 (4th Cir. July 25, 1959).

[2] *Cuno Engineering Corp.* v. *Automatic Devices Corp.*, 314 U.S. 84 (1941); *Great Atlantic & Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U.S. 147 (1950). Compare the discussion of these cases in our Petition for Certiorari, pp. 7-9, 17-20.

[3] *Jungersen* v. *Osthy & Barton Co.*, 335 U.S. 560 (1949); see our Petition for Certiorari, pp. 18-20.

[4] *Bostitch, Inc.* v. *Precision Staple Corp.*, 178 F. 2d 332 (2d Cir. 1949). This decision specifically relied on "the exacting standard of 'invention'" laid down in *Cuno* and *Jungersen* (178 F. 2d at 336).

[5] *Lyon* v. *Bausch & Lomb Optical Co.*, 224 F. 2d 530 (2d Cir.), *cert. denied*, 350 U.S. 911 (1955).

[6] The *Tatko* case serves also to emphasize that the majority gives only lip service to the *Lyon* case in that case and this. It further shows that Judge Lumbard's statement in his dissent that he does not understand the majority's opinion to "advance a standard of invention any different from that" expressed in *Lyon* (App. A, p. 10a) must not be read out of context as diluting the force of his dissent. He also stated that the Ashton Patent was valid

Madden, who strongly dissented, the majority "discarded" the District Court's "crucial finding of fact" of prior unsuccessful attempts to solve the particular problem which the patent met. As Judge Madden put it:

> "The case seems to me to be getting itself decided, not on the basis provided by precedent and recent statute, of obviousness to those in the industry, but of obviousness to the judges after the patent has disclosed the device and the industry has adopted it. This seems to me to be a failure by the Court to adjust itself to the purpose and spirit, the 'mood,' * * * of Section 103 of Title 35, United States Code, enacted in 1952."

Counsel have been informed that certiorari definitely will be sought in the *Tatko Bros.* case.

Finally, this Court's attention has already been called to *Glagovsky* v. *Bowcraft Trimming Co.*, Supreme Court Dkt. No. 369, October Term 1959, filed September 2, 1959, in which the petitioner adopts the interpretation of the Patent Act set forth in our petition.

These four cases—*Columbia Boiler Co.*, *Tatko Bros.*, *Glagovsky* and the instant case—not only demonstrate the conflict among the Circuits but provide this Court with an excellent opportunity to hear argument on both sides as to the conflicting interpretations of the Patent Act of 1952—an Act which has never been passed upon by this Court.

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when "tested by the standard of invention" adopted in *Lyon* (App. A, p. 7a), he admonished his brethren that under the new Patent Act "courts must no longer approach the consideration of what is invention with specially restrictive judicial views of inventiveness" (App. A, p. 10a), and he decried the majority's apparent reliance on pre-Act cases such as *Cuno* (App. A, p. 11a).

2. With reference to petitioner's second question, respondent tacitly admits that a conflict exists but argues that the "clearly erroneous" rule was satisfied in this case. Respondent says (p. 9) that, regardless of whether "patentable invention is a finding of fact, a conclusion of law, or a mixed question of law and fact, appellate courts, including this Court, have frequently reversed holdings of patentable invention."

Respondent then offers (p. 10) the lure of "simple devices" and "documentary prior art," false bait at that, since the Circuit Court expressly declined to rely on any prior-art as anticipatory (App. A, p. 3a).

Judge Dawson's six-day personal observation of the many witnesses is ample reason for not excepting findings in such a case as this from the prophylaxis of Rule 52(a). His primary findings that the patented device solved difficulties of long standing in the industry, had many advantages over other seals, and enjoyed extraordinary commercial success—all of which findings were based in large part upon the testimony of witnesses—cannot be brushed aside on the basis of the invention's "obviousness to the judges". (see dissent of Judge Madden in *Tatko Bros. Slate Co.* v. *Hannon, supra*).

3. In conclusion, respondent argues (p. 10) that "'Such an ordinary patent case with the usual issues of invention, breadth of claims and noninfringement'" should not be brought to this Court by certiorari. But in fact, this case presents only the simple and clear-cut issue of invention. Infringement was not contested

on appeal. The very simplicity of issues makes this a particularly appropriate case for review.

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